

THIRD WALNUT CREEK MUTUAL
ANNUAL MEETING MINUTES OF THE MEMBERS
TUESDAY, JUNE 14th, 2022, AT 9:00AM
ZOOM & IN-PERSON
FIRESIDE ROOM – GATEWAY CLUBHOUSE
1001 GOLDEN RAIN RD – WALNUT CREEK, CA 94595

Call to Order

President Rothman called the Annual Meeting of Third Walnut Creek Mutual (TWCM) to order at 9:01 a.m.

Roll Call

Directors Present:

Arlyss Rothman, President Dist. IX, (2022)	
Matt Kaplan, Treasurer Dist. V, (2022)	Nan Warren, VP Dist. XIV, (2022)
John Swearingen, Secretary Dist. VII, (2024)	Les Birdsall, Director Dist. XIII, (2023)
James McFarland, Director Dist. III, (2024)	Tom Lauck, Director Dist. IV, (2023)
Martin Schwager, Director Dist. X, (2024)	Steve Park, Director Dist. XV (2022)

Also Present: Mutual Operations staff was represented by Paul Donner, Mutual Operations Director; Clayton Clark, Building Maintenance Manager; John Tawastjerna, Landscape Manager; Lucy Limon, Board Services Coordinator; and Joel Lesser, Chief Financial Officer.

Approval of Annual Meeting Minutes from last year: July 13, 2020

The annual meeting minutes from June 8th, 2021, were approved with a motion.
The organizational meeting from June 8th, 2021, were approved with a motion.

Moved, Seconded, Carried 9-0

Introduction of Board of Directors

The 9 directors were introduced.

Announce Ballot Results for District IX Director Election (Project 45) District XIV Director Election (Projects 36 and 37), and District V Director Election (Projects 23, 33 and 53) – 3 Year Term (2022-2025)

Results for District IX Director Election (Projects 45):

A secret ballot in the matter of a Director Election was mailed on May 4th, 2022, for a vote of the membership in District IX (Project 45). Ballots were opened during an Open Ballot Count Meeting on Tuesday, June 7, 2021, at 1:00 p.m. in the Fairway Room at Creekside.

The following is a report prepared by the Inspector of Elections:

The Inspector of Elections was Evan Spinrod, Mutual 30 President.

TOTAL BALLOTS RECEIVED: 86

TOTAL INVALID BALLOTS: 2

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TOTAL VALID BALLOTS: 84

The elected director was Mike Abell.

Results for District XIV Director Election (Projects 36 and 37):

A secret ballot in the matter of a Director Election was mailed on May 4th, 2022, for a vote of the membership in District XIV (Projects 36 & 37). Ballots were opened during an Open Ballot Count Meeting on Tuesday, June 7, 2021, at 1:00 p.m. in the Fairway Room at Creekside.

The following is a report prepared by the Inspector of Elections:

The Inspector of Elections was Evan Spinrod, Mutual 30 President.

TOTAL BALLOTS RECEIVED: 73

TOTAL INVALID BALLOTS: 2

TOTAL VALID BALLOTS: 71

The elected director was Nan Warren.

Results for District V Director Election (Projects 23, 33, and 53):

A secret ballot in the matter of a Director Election was mailed on May 4th, 2022, for a vote of the membership in District V (Projects 23, 33, and 53). Ballots were opened during an Open Ballot Count Meeting on Tuesday, June 7, 2021, at 1:00 p.m. in the Fairway Room at Creekside.

The following is a report prepared by the Inspector of Elections:

The Inspector of Elections was Evan Spinrod, Mutual 30 President.

TOTAL BALLOTS RECEIVED: 54

TOTAL INVALID BALLOTS: 3

TOTAL VALID BALLOTS: 51

The elected director was Matt Kaplan.

Discuss Vacancy for District XV (Projects 27, 31 and 32):

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The Mutuals' Board Office mailed a vacancy letter to all District XV residents to encourage residents to represent district XV on the board. Several members of the Mutual had concerns regarding the content of the letter. Therefore, the Board has deferred this matter to Richard Fong, legal counsel, for his advice.

A second notice will be mailed to residents.

No appointment to this seat was made.

President's Report:

President Rothman gave the following report:

This has been a unique year – Covid On, Covid Off as well as heretofore unseen happenings such as an insurrection and attempted coup within our own country, and the Russian invasion of Ukraine.

In our little berg here in Rossmoor there have also been many changes, and some related to the broader National challenges. We have continued meeting via Zoom, but recently began doing ‘Hybrid’ meetings where people who are comfortable can actually attend in person, and those not yet comfortable due to health or preference may still Zoom in. We continue to have better attendance than without the Zoom option.

We explored all “Solar” options for the Mutual with and without a management partner and decided to go it alone with a solar company. We now have approximately 100 installations going in within the Mutual, but not run or controlled by the Mutual.

We have a strong Governing Documents committee that is trying hard to reconcile the Governing Documents with our rapidly changing numbers of directors and Sacramento’s tweaks in the form of new laws to try to interpret. So far, so good and with the help of our attorney and a detail-oriented resident, hopefully we will make all changes needed.

We also have a very strong Building Maintenance committee that is researching building types for earthquake defense and overseeing deck inspections in the Mutual. We appointed John Murphy to our new Ad Hoc Trash committee, as it seems the trash billing has been inaccurate in other Mutuals. And we appointed a new Director for District XIII, Les Birdsall. Welcome Les, and good luck Milford! Our Alterations committee in the form of one Jim MacFarland, seems to run beautifully with no scheduled meetings!! Thank you, Jim! And thank you to all who serve on our many committees. Your work is much appreciated!!

Sadly, we have seen two ex- directors pass away this year... Marilyn Mason who was Director of Projects 27, 31 and 32, and recently Chuck Decker who was Director of Projects 41 and 42. We thank them again posthumously for their contributions!

I also want to sincerely thank all directors within the Mutual. This is not an easy job – listening to

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complaints and concerns and considering how to solve the problems. And it is a very valued position as a liaison between owners and the Board and our agents, MOD. Thank you, thank you.

I would now like to have our agents, MOD report to you how we are doing as a corporation That is – All Projects within the Mutual. Thank you for listening and I will miss you all going Forward. Good luck to you all!!

Presentation by Paul Donner and Rick Chakoff regarding Finances, Landscaping, and Client Services:

Paul Donner reported on the staffing issues that MOD has had in the past year. MOD is now fully staffed; all departments are working on training their new employees. Budget season is around the corner and the largest increase will be insurance, the increase is currently estimated at 47%. Paul also advised that insurance brokers will no longer sign a deductible for \$250k, companies will be increasing that deductible to at least \$1 million. A surplus from MOD and GRF will be allocated to all Mutuals, an agreement hasn't been made. The property tax penalty has been forgiven and the money will be refunded to MOD.

Reports of Committees

- a. **Treasurer's:** Matt Kaplan reported that the Board approves the annual budget, however all the projects have their own bank accounts. The monthly coupons in TWCM range from \$909 to \$1,258.
- b. **Alterations:** No report was presented.
- c. **Building Maintenance:** Tom Lauck presented the following report:

In the past year the Building Maintenance Committee reviewed two policies related to alterations and maintenance. The first was Policy 64.0.0 POWER SOURCES which was reviewed for consistency with AB-684 Electric Vehicle Charging legislation. The review noted that current Policy did not appear to conflict with the legislation. The law, which was passed by the legislature, was subsequently vetoed by the Governor, who directed the Department of Housing and Community Development to propose a building standard to increase the availability of EV charging infrastructure. Such a standard has not yet been proposed. When it is proposed, the committee may need to review our policy for compliance with the new standard.

The second policy reviewed was Policy 54.0.0 Owner-initiated Alterations - Enclosures, to address requirements for free-standing structures such as pergolas, trellises, or arbors. The committee determined that a revision of the existing policy was not appropriate and provided a new policy for free-standing structures. Draft Policy 66.0.0 Owner-Initiated Alterations - Detached Accessory Structures was submitted to the Board for review but is not yet approved.

The committee also reviewed Policy 59.0.0 Owner-Initiated Alterations – Hard Surface Flooring regarding the use of hard surface flooring in upper-level units. The current policy was reviewed and after discussion with the Board no change in the policy was supported. Owners wanting to pursue hard surface flooring in upper levels will need to provide acoustical testing to justify the installation.

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A query from a resident, regarding the expected structural performance of the buildings in the Third Walnut Creek Mutual in the event of a major earthquake, has been a major focus for the Building Maintenance Committee in the past year. The committee did a survey of the existing 252 occupied buildings, which contain the 1184 manors of the Third Mutual. The survey identified the types of buildings (2-12 manors), height of buildings (1-3 stories), building areas, and the design building code (1970-1988). The survey was used to identify the 5 most common building types in the Third Mutual. Five buildings have been selected for seismic review, and a request for proposal for the seismic study has been issued to two structural engineering firms. Their proposals are due for submittal to MOD on June 29th. The costs and schedule for the study will be reviewed with the Board for approval to commence the study.

The committee also reviewed maintenance issues with respect to solar panel installations that resulted from the Rossmoor Solar Initiative. With input from Building Maintenance clearances from roof edges and ridges, and rooftop equipment and features, were communicated to the Alterations department, which is responsible for review of the solar installation plans.

Clayton Clark, Building Maintenance Manager for the Third Walnut Creek Mutual, reported to the committee that material price spikes and shortages were impacting rehabs in many projects. He also reported that as Covid restrictions were easing an increase in staffing was required to handle the maintenance needs. MOD was successful in adding some needed carpenters and finding additional outside contractors for plumbing issues.

The chair thanks the volunteer members of the committee for their support and efforts in the past year, Nan Warren, Chuck Decker, Roxanne Stallings, and Mike Abell, and the participation of the other Third Mutual directors in compiling the building survey for the seismic study. We also thank Clayton Clark for his participation, knowledge, and support of the committee.

- d. Communications:** John Swearingen advised that article will be in the Rossmoor News 2-3 weeks after the Board meeting.
- e. Emergency Preparedness:** No report was presented.
- f. Governing Documents:** Steve Park presented the following report:
The Governing Documents Committee had a meeting by zoom on May 24th, 2022. Attendees were the members: Nan Warren, Judy Bank, Adena Gilbert, chaired by Steve Park.
Absent members were Arlyss Rothman, Christine Monsen and Michael Abell.

THE TOPICS OF DISCUSSION: Bylaws Section 6.6: Election by Acclamation, and the Policies and Procedures Section 22.0.1: Scope and Section 22.4.0.

The Committee unanimously adopted the amendment proposal prepared by Adena Gilbert in the attached email. It is noted that Election Policies and Procedures shall not be amended or otherwise modified within 90 days of any election or vote as stated in

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Section 22.6.0.

Changes regarding election by acclamation

BYLAWS”

Section 6.6 of the Bylaws, entitled Election by Acclamation, currently states:

"If, as of the published deadline for nominations, the number of qualified candidates nominated does not exceed the number of Directors to be elected, then the individuals nominated and qualified to be elected may be declared elected on a date determined by the Board and the Inspector(s) of Election, in which case notice of the election results shall be provided to the Members."

I suggest amending Section 6.6 to read as follows:

"If there is only one candidate for Director of a District (meaning the election is uncontested), pursuant to California law the Board itself may seat that candidate as Director, without Member voting, as long as the following conditions have been met: verification that the candidate is qualified (Board must notify candidate and nominator, if different, within 7 days of receipt of nomination whether the candidate is qualified and if not, the reason why and how to appeal); a regular election for that District Director must have been held within the last three years; at least a 90 day notice by individual delivery to Members, regarding the election and the procedure for nominating candidates, and the possibility of election by acclamation without Member voting; a reminder notice by individual delivery to Members between 7 and 30 days before the deadline, regarding submitting nominations and the possibility of election by acclamation without Member voting, and including the name(s) of qualified candidates as of the date of notice; and the Board must vote for the sole candidate at an open meeting, the agenda for which must state the name of the qualified candidate to be voted upon by the Board."

POLICIES AND PROCEDURES

Note: Section 22.6.0 states in relevant part that "Election Policies and Procedures shall not be amended or otherwise modified within 90 days of any election or vote." This rule applies to the timing of the below proposed changes.

1). Section 22.0.1 of the Policies and Procedures regarding elections, entitled Scope, currently states:

"Notwithstanding any other law or provision of the governing documents, elections regarding assessments legally requiring a vote by the affected Projects, election and removal of members of the association board of directors by vote of the members of the

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TWCM districts, certain amendments to the governing documents, or the grant by vote of members of a Project of exclusive use of common area property pursuant to Civil Code Section 4600 shall be held by secret ballot in accordance with the procedures set forth below. Elections for other purposes may, at the discretion of the Board, be held at duly noticed meetings of the members or by mailed ballots pursuant to this section."

I suggest amending Section 22.0.1 to read as follows (addition in italics only for your ease of reading):

"Notwithstanding any other law or provision of the governing documents, elections regarding assessments legally requiring a vote by the affected Projects, election and removal of members of the association board of directors by vote of the members of the TWCM districts, certain amendments to the governing documents, or the grant by vote of members of a Project of exclusive use of common area property pursuant to Civil Code Section 4600 shall be held by secret ballot in accordance with the procedures set forth below, with the exception of Elections by Acclamation as outlined in Section 22.4.0 below. Elections for other purposes may, at the discretion of the Board, be held at duly noticed meetings of the members or by mailed ballots pursuant to this section."

2). I further suggest that Section 22.4.0, currently DELETED AND INTENTIONALLY LEFT BLANK, should read as follows (italics to remain in final version as clarity for Members):

"Section 22.4.0 ELECTIONS BY ACCLAMATION

If there is only one candidate for Director of a District (meaning the election is uncontested), pursuant to California law the Board itself may seat that candidate as Director, without Member voting, as long as the following conditions have been met: verification that the candidate is qualified (Board must notify candidate and nominator, if different, within 7 days of receipt of nomination whether the candidate is qualified and if not, the reason why and how to appeal); a regular election for that District Director must have been held within the last three years; at least a 90 day notice by individual delivery to Members, regarding the election and the procedure for nominating candidates, and the possibility of election by acclamation without Member voting; a reminder notice by individual delivery to Members between 7 and 30 days before the deadline, regarding submitting nominations and the possibility of election by acclamation without Member voting, and including the name(s) of qualified candidates as of the date of notice; and the Board must vote for the sole candidate at an open meeting, the agenda for which must state the name of the qualified candidate to be voted upon by the Board."

g. Landscape: No report was presented.

h. Dispute Resolution: Nan Warren presented the following report:

During the past year, the Dispute Resolution committee has dealt with 6 problems that

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needed someone to help bring common sense to the table. Some disputes were dealt with easily, since the notion that a third party was being called in was enough to make the dispute disappear. Others were more difficult. In one case, a party to the dispute moved to another unit. I think the dispute resolution committee is both a helpful tool and a wonderful suggestion that makes people think they should behave better than to have to call in a third party.

- i. **Solar Committee:** Nan warren presented the following report:
Under the leadership of Dr. Adrian Byram, a great deal of solar energy will be generated in the future. Your Energy Solutions has a total of 66 solar installations in contract. As of today, they have installed 47 with 19 to go. Their aim is to be complete with installs by the end of the 1st week of July, we also expect to have the City Signoffs on the permits complete around that time.

The Solar Committee is an ad hoc committee whose job was to encourage and assist in helping owners get involved in solar energy. It is expected that this committee will dissolve soon, to reconstitute if a battery storage system ever becomes a realistic goal.

- j. **Trash – AD HOC:** John Murphy reported that there are 6 active committee volunteers, 5 of those volunteers check all the enclosures regularly. The committee still has a long to go but they are slowly making progress. The committee has been monitoring all Republic invoices and they all are accurate.

Members' Forum

Members were afforded the opportunity to express their general concerns and make comments. Comments included: landscape issues, civil code 5502, hybrid meetings.

Adjournment

The Annual Meeting was adjourned at 10:13 am and moved into the Organizational meeting.

Secretary's Certificate

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

Lucy Limon

Assistant Secretary

Third Walnut Creek Mutual