

THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES OF THE BOARD
MONDAY, JULY 11th, 2022, AT 9:00AM
ZOOM AND IN PERSON
BOARD ROOM AT GATEWAY
1001 GOLDEN RAIN RD – WALNUT CREEK, CA 94595

Call to Order

President Warren called the Regular Meeting of the Board of Directors of Third Walnut Creek Mutual (TWCM) to order at 9:00 a.m.

Roll Call

Directors Present:

Nan Warren, President Dist. XIV, (2023)
Mike Abell, Treasurer Dist. IX (2025) Marty Schwager, VP Dist. X, (2024)
Les Birdsall, Director Dist. XIII, (2023) Tom Lauck, Director Dist. IV, (2023)
Matt Kaplan, Director Dist. X, (2024)

Directors Absent: John Swearingen, Secretary Dist. VII, (2024), James McFarland, Director Dist. III, (2024)

Also Present: Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Clayton Clark, Building Maintenance Manager; John Tawaststjerna, Landscape Manager; and Lucy Limon, Board Services Coordinator

Members' Forum

Members were afforded the opportunity to express their general concerns and make comments. Topics discussed included: landscape issues, recording meetings, district xv vacancy, civil code 5502, and building maintenance report.

Approval of Meeting Minutes

President Warren asked for any corrections and/or additions to the following sets of minutes:

- a) Regular Board Meeting Minutes May 9th, 2022
- b) Executive Meeting Minutes..... May 9th, 2022
- c) Special Meeting Minutes..... May 18th, 2022

A motion was made to approve the aforementioned sets of minutes.

Moved, Seconded, Carried 6-0

President's Report

President Warren reported on the timeline for 2023 changes to the policies and bylaws. She advised that all changes to both documents made this year should be mailed together by next March and voted on in May of next year to save money on mailings.

Secretary's Report

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No report.

Treasurer's Report

Matt Kaplan presented the following report:

This following information is based on the TWCM financial reports for March 2022, April 2022, and May 2022.

The March 31, 2022, TWCM cash account balance was \$15,370.

TWCM payments in March were \$22,291 allocated as specified to the Projects.

Republic Services trash pick-up was \$19,605. CSS trash enclosure cleaning was \$2,686.

TWCM Owner Billables (amounts owed by owners to their project) as of March 31, 2022, was \$183,525 about \$28,000 less than the prior month, mainly due to a 50% reduction in one owner's large balance due.

TWCM Assessments (Coupon) owed as of March 31, 2022, was \$162,821, about \$5,000 more than the prior month.

The April 30, 2022, TWCM cash account balance was \$16,564.

TWCM payments in April were \$40,649 allocated as specified to the Projects.

Republic Services trash pick-up was \$19,445. CSS trash enclosure cleaning was \$3,224. Legal Services to Fong & Fong was \$4,165. GRF recycle was \$13,635 (three payments for Jan., Feb., and Mar.)

TWCM Owner Billables (amounts owed by owners to their project) as of April 30, 2022, was \$183,525 no change from the prior month.

TWCM Assessments (Coupon) owed as of April 30, 2022, was \$180,067, about \$17,000 more than the prior month.

The May 31, 2022, TWCM cash account balance was \$9,805.

TWCM payments in May were \$28,972 allocated as specified to the Projects.

Republic Services trash pick-up was \$19,348. CSS trash enclosure cleaning was \$2,865. GRF recycle was \$5,027. California Quality Printing was \$1,732.

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TWCM Owner Billables (amounts owed by owners to their project) as of May 31, 2022, was \$154,020, approximately \$30,000 less than the prior month.

Treasurer Mike Abell presented the following report:

My report for the period ending June 30 is simple. I have reviewed the financial results for TWCM and P45. I am concerned about the owner billables account across TWCM and specifically the accounts that were previously turned over to GRF to place Liens on a few properties. The status of lien requests has been difficult to acquire. Arlyss and the board requested a lien be placed on a unit within P45 in January, but it was not acted on. Other lien requests were subsequently made during the year and the status of them is also not clear. The relationship between the Mutual, the owner, GRF and the collection agency is still murky.

I have been told by Joel that I will have a clear understanding of the status of all past due accounts by the end of July including what if anything GRF has done to continue the collection / notification process with delinquent owners. I see this area as a modest risk.

The credit being pushed to TWCM, and P45 for the Insurance commission rebate is encouraging. I recommend holding this credit along with the Paycheck protection rebate in the general fund until we have had time to fully understand the financial status of both TWCM and the individual Projects for 2022, as well as evaluating a course of action for the likely insurance rate increases that are being discussed. The spending pattern for both TWCM and P45 appears to be in line with the budget with minor variances.

As the P45 Director I have spent the past few weeks coordinating paint selections, getting contact information updated for each entry in P45 and began to enlist volunteers to support a TWCM Finance committee. As of this writing I have 3 / 4 qualified volunteers for the Finance committee and envision holding our first meeting in late July.

TWCM Assessments (Coupon) owed as of May 31, 2022, was \$170,148, about \$10,000 less than the prior month.

Treasurer Abell advised the Board that the \$15k borrowed by Project 34 from its reserve account will be repaid upon the distribution of the settlement of a lien placed on a P34 property through an auction sale. We received confirmation from HOA Repay that the property has sold through auction and the first lien holder has been paid. Another lien holder is ahead of TWCM. HOA Repay will advise accounting as to the amount left to be distributed to the second and 3rd lien holders.

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- a. Motion that the Mutual Funds Report has been reviewed by the Treasurer and a summary provided to all Directors:
Moved, Seconded, Carried 6-0.
- b. Motion that all Directors have reviewed their Project Specific Financials.
Moved, Seconded, Carried 6-0.

Building and Maintenance Committee

Tom Lauck provided the following report:

The Third Walnut Creek Mutual Building Maintenance Committee discussed the following items at the meeting:

The Third Walnut Creek Mutual Building Maintenance Committee discussed the following items at the meeting:

1. **Status of outstanding items from prior Committee meeting.**
 - a. **TWCM Survey of Structural Integrity and Performance of Occupied Buildings.**
RFP responses received from two structural firms. Due to a technical problem Clayton Clark was not able to join the zoom meeting. Tom Lauck to review proposals with Clayton after the meeting to discuss proposals and make recommendation to the Board for approval.
2. **Clayton Clark Maintenance Issues**
No new issues.
3. **New items for Maintenance Committee review**
 - a. **Clarification of exterior trim requirements for window replacements.**
Clayton Clark and Tom Lauck were separately contacted by a window contractor, frequently working in Rossmoor, regarding wood products to be used for exterior trim when windows are replaced on buildings with exterior wood siding. Contractor prefers engineered wood product called Windsor ONE which has glued, finger-jointed splices. Windsor ONE Protected Trim Boards have a 30-year warranty. Maintenance prefers cedar boards without glued, finger joints. Subsequent to meeting Tom Lauck reviewed the issue with Clayton and was provided photos showing problems with contractor's recommended trim. It is recommended that TWCM standard be updated to include trim requirements.
 - b. **New members for Maintenance Committee**
It is recommended that an announcement be published in the Rossmoor News soliciting volunteers for the Maintenance Committee. One volunteer put his name forward at the annual meeting in June. He will be contacted.

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Tom Lauck also reported that a seismic study proposal will be presented to the Board at the August meeting for approval. Director Lauck encouraged TWCM members to join the building maintenance committee. Any interested resident may contact Tom.

Clayton Clark, Building Maintenance Manager gave the following report

For the month of July 2022

Project 23

- ❖ SB 326 inspections from FWC completed. Additional borescopes needed for report and MOD creating access holes for the inspector. Follow-up inspection scheduled this month.
- ❖ **Guardrail at 1129 AS 6C: Construction underway, but halted due to permit issue between AMAC, engineer and City. MOD trying to resolve.**

Project 26

- ❖ **1501 Pt resident leak in B-level due to ice maker leak.**
- ❖ Discussions on performing SB 326 inspections at 1501 pt as part of rehab and 1621 Ptarmigan as well. **Work order issued to staff for guardrail inspections and for FWC to conduct SB326 inspections. Once scheduled, notices of the inspections will be posted to all residents in building as access inside units is required.**
- ❖ **Pool lounge chairs need to be repaired. Working with company on delivery/pickup and repair costs.**
- ❖ **Pool pump replaced.**
- ❖ **Looking into fiberglass pool resurfacing.**

Project 27

- ❖ 2404 Pt needs new water supply valve to building. Work order submitted.
- ❖ Prepping for rehab Entry 14 Pt.
 - MOD will be doing the carpentry as the carpentry as the scope is small to get contractors involved.
 - ACE will do the painting as they have performed well in the plaster repair work and painting in the past.
- ❖ Contract underway for Trash enclosure fencing at Entry 13 & 14 Ptarmigan this month. All trash enclosures will be retained upon completion. Budget exceeded in order to complete all activities.

Project 31

- ❖ **MOD working on rehab scope.**
- ❖ **MOD working on fence pricing for future replacement of single-story fencing.**
- ❖ **SB 326 inspections scheduled for July 11th on balcony decks.**

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Project 32

- ❖ Reviewing leaf guards for underground drains to minimize plugging. Several locations noted as plugged by gutter cleaners at 2520 and 2528 Pt.
- ❖ SB 326 inspections scheduled for July 11th on balcony decks.

Project 33

- ❖ Pricing out metal gates due to trash company abuse. No action to report.

Project 34

- ❖ **No action to report.**

Project 35

- ❖ 3118 TGR electrical wiring issue under review. Met with concrete company to determine extent.
- ❖ Correcting pest issue at 3126 TGR in attic, but coordination with owner is difficult
- ❖ **Termite issue at 3100 TGR during flooring replacement. Specialty trying to coordinate treatment schedule.**

Project 36

- ❖ 2105 CC roof section currently being replaced. Follow-up work inside pending.
- ❖ **2175 CC flooring: Assisting alterations on a flooring matter.**
- ❖ **MOD Carpenters reviewing termite reports for 5-year maintenance plan.**
- ❖ **Water break repairs completed between 2105 and 2085 CC. Waiting on cost for concrete replacement.**
- ❖ **Assisting owner with stairs and ramp alteration on entry 1 CC.**

Project 37

- ❖ **Roof section at 2110 CC being replaced.**
- ❖ **Condensate line investigations will be completed this month in Entry 3 CC and Entry 5 Tcal.**
- ❖ **Minor roof tuneup in progress.**

Project 38

- ❖ **No action to report.**

Project 42

- ❖ 622 TCal level survey completed. Drainage recommended and will get bids as time permits.

Project 44

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- ❖ **Carpentry work completed for 2022. Some deck coating remains at 3162 RP, and follow-up painting.**
- ❖ **Resolving paint selection issue at 3108 RP, ongoing.**
- ❖ **Resolving solar installation issue with those desiring/undesiring panel installation.**

Project 45

- ❖ **3399 RP will be underway with Sykes Construction, a new contractor.**
 - **Materials have been delayed due to material shortage.**
 - **Pest infestation found on south wall. Insulation will be replaced as well as owners HVAC repair work.**
- ❖ 3276 RP-reviewing drainage on opposite side of releveling. ESR visited site and provided a bid for drainage. Looking into other turnkey contractors who can do this work as well. Waiting on another bid. **No action to report.**
- ❖ 3245 RP hot water leak will be resolved. **No action to report on owners flooring.**
- ❖ Letter written to owner of 3258 RP 3. Leak was not due to Mutual components, but owner claims no responsibility. **No action to report as matter is still unsettled.**

Project 49

- ❖ Confirming termite inspections for 1766 SD and 1614 SD for work in 2022. **Working on scope for 1614 SD with AMAC who did a majority of the work several years ago and understand details and construction practices.**
- ❖ **1824 SD repair awarded to AC enterprises.**

Project 51

- ❖ **Drainage:**
 - 4139 TGR has plugged drain left side of building due to roots. Landscaping advised.
 - 4167 TGR has plugged drainpipes on right side of building. **MOD carpentry repaired the original section from downpout to rear of building. New section found from garage to previously repaired area. 5 star providing a cost due to root infestation.**
 - 4259 TGR drain under investigation for roots.
 - 4243 TGR dryrot resolved to window leak being owner responsibility. Project 53

Project 53

- ❖ Investigating options to developer installed hard-wired detectors. **No action to report.**
- ❖ **4332 and 4320 TGR for roof replacements underway.**
- ❖ **Assisting with Project termination with TWCM.**

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Project 54

- ❖ **Entry signs replaced on Entry 5 and good comments from owners.**
- ❖ **Termite inspections for Entry 6 under 5yr maintenance program.**

Project 64

No action to report.

Landscape Committee

Jerry McNair gave the following report:

The landscape committee has not met since COVID, however Jerry advised that she will be sending meeting notices to the committee members. John T. and Jerry have met to discuss the items that TWCM members want done. John and Jerry will coordinate another meeting so that the entire committee and residents can attend.

In the future, the committee will propose placing plaques on specific trees throughout TWCM.

Governing Documents Committee

Les Birdsall gave the following reports:

ARTICLE 6 OF THE BYLAWS

BOARD OF DIRECTORS: ELECTION; TERM OF OFFICE

Current

6.6 Election by Acclamation. 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 written notice of the election results shall be provided to the Members.

Proposed

6.6 Election 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 Members 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);

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- 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 Members voting.
- a reminder notices by individual delivery to Members between 7 and 30 days before the deadline, regarding submitting nominations and the possibility of election by acclamation without Members voting and including the name(s) of qualified candidates as of the date of notice.

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.

This proposal was not voted on by the Board.

POLICIES AND PROCEDURES - Acclamation

Current

22.0.1 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. 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.

Proposed

Section 22.0.1 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.

Adena Gilbert, a member of the committee, recommends that Section 22.4.0, which is currently deleted but left blank, should read as follows.

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Proposed

Section 22.4.0 Election 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 Members of the **district** 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 Members 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 Members voting and including the name(s) of qualified candidates as of the date of notice.

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.

This proposal was not voted on by the Board.

Alteration Permit Application Review

No report presented.

Communication Committee

No report presented.

Emergency Preparedness Committee

A motion was made to appoint Fran Gibson as EPO committee chair.

Moved, Seconded, Carried 6-0.

Dispute Resolution Committee:

A motion was made to appoint Adrian Byram as Dispute Resolution committee chair.

Moved, Seconded, Carried 6-0.

Solar Committee:

Nan Warren gave the following report:

Your Energy Solutions (YES) have a few more installs to complete in Mutual #3. For the most part, both the City Inspections & MOD inspections have been completed. This week and next

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week they are completing installing the monitoring communications equipment and SunPower is configuring the monitoring systems at their end. The majority of the PG&E Net Metering applications have been submitted and YES is beginning to see that PG&E is switching people over from the SMART Meter to the Net Meter.

The Solar Committee is an ad hoc committee founded for the purpose of fostering solar installations with in Third Mutual. As the work is almost complete, the committee should be disbanded.

A motion was made to dissolve the Solar Committee.

Moved, Seconded, Carried 6-0

Trash Committee – AD HOC

Nan reported the following for John Murphy:

The committee has not been as active in the past month. It is difficult to find volunteers that are willing to jump into trash cans.

Old Business

District XV Vacancy:

Richard Fong, Legal Counsel, has submitted a final letter that will be sent to all District XV members to advise them of the open Board position. An announcement will also be published in the Rossmoor news.

New Business:

A motion was made to appoint the following members to the Finance Committee:

- Mike Abell – Committee Chair
- Patricia Tanner
- Anne Dailey
- William Kuhnsman
- Roxanne Stallings
- Tom Lauck

Moved, Seconded, Carried 6-0

Announcements

The next scheduled meeting will be held on Tuesday, August 8th, 2022, at 9am in the Board Room at Gateway and on Zoom.

Adjournment to Executive Session

There being no further business, the Regular Meeting of the Board was adjourned at 10:02 am and the Board moved into executive session.

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Executive Session Summary

The Board met in executive session from 10:09 am to 11:27 am to discuss member matters, golf ball damages, and P23 matters, and delinquent accounts, recording of meetings.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the minutes of the Board of Director's meeting.

Lucy Limon

Assistant Secretary

Third Walnut Creek Mutual