

THIRD WALNUT CREEK MUTUAL  
BOARD MEETING MINUTES OF THE BOARD  
MONDAY, MARCH 14<sup>th</sup>, 2022, AT 9:00AM  
ZOOM VIDEO AND CONFERENCE CALL MEETING

**Call to Order**

President Rothman called the Regular Meeting of the Board of Directors 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)	Vacant, 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, Director of Mutual Operations; Joel Lesser, Chief of Finance; Clayton Clark, Building Maintenance 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 operating and reserve accounts, policy 61 proposal, voting by acclamation, financial analysis.

**Approval of Meeting Minutes**

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

- a) Regular Board Meeting Minutes .....February 14, 2022
- b) Executive Board Meeting Minutes .....February 14, 2022

A motion was made to approve the Executive session minutes of February 14, 2022.

**Moved, Seconded, Carried 7-0 (Park Abstained)**

**President's Report**

President Rothman reported that all Mutuals will receive a rebate because of the PPP (Paycheck Protection Program) loan forgiveness from the federal government, hopefully in April. Insurance in California has gone up by 38% mostly because of wildfires, Rossmoor is covered up to \$200 million. Arlyss communicated that per a new state law the Mutual cannot act as a debt collector. This must be handled by licensed debt collection agency, which the Board is looking into. It was announced that the Administrative Services Manager and Landscape Manager positions have been filled – Kris Peterson, Administrative Services Manager will begin on March 17<sup>th</sup>, John Tawatsjerna, Landscape Manager will begin on March 23<sup>rd</sup>. Evan Spinrod, President of M30, to be the inspector of elections for the 2022 TWCM election.

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**Secretary's Report**

No report was given.

**Treasurer's Report**

Matt Kaplan gave the following report:

This following information is based on the TWCM financial report for December 2021. The TWCM financial report for January 2022 was not available in time to be included in this report.

The December 31, 2021, TWCM cash account balance was \$15,114.

TWCM payments in December were \$26,639, allocated as specified to the Projects.

Republic Services trash pick-up was \$19,013. Trash Recycling to GRF was \$4,444.6. Postage for Annual Budget mailing was \$1,194. Mutual 50 was reimbursed \$1,254, and Mutual 55 was reimbursed \$732, for one month's Republic Services bill that TWCM drew from Project 50 and 55 accounts but did not use to pay Republic Services.

TWCM Owner Billables (amounts owed by owners to their project) as of December 31, 2021, was \$208,008 about the same as the prior month.

TWCM Assessments (Coupon) owed as of December 31, 2021, was \$160,336, about \$6,000 less than the prior month.

- a. Motion that the Mutual Funds Report has been reviewed by the Treasurer and a summary provided to all Directors:  
**Moved, Seconded, Carried 8-0.**
- b. Motion that all Directors have reviewed their Project Specific Financials.  
**Moved, Seconded, Carried 8-0.**
- c. Motion to approve Spectrum Painting Expense as required by law for an expense larger than \$10k.  
**Moved, Seconded, Carried 8-0.**

Treasurer Kaplan also reported that the January financials have not been received. The accounting department is still understaffed and behind. Legal counsel has been tasked with drafting a resolution to comply with civil code 5502, hopefully the resolution will be available for a Board vote at the April meeting.

**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:

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**1. Status of outstanding items from prior Committee meeting.**

**a. TWCM Survey of Structural Integrity and Performance of Occupied Buildings.**

With the assistance of additional members in the committee, of the 20 projects in TWCM about 2/3 of the projects are in the database. Work will be completed this month, with recommendations to Board on buildings to be analyzed presented next month.

**b. Building settlement issues**

Clayton met with residents about specific problem in Project 45 and provided course of action.

**2. Clayton Clark Maintenance Issues**

MOD now working with 4 plumbing contractors to address leaking pipes and plugged drain lines. MOD has also added a new carpenter to their staff.

**3. New items for Maintenance Committee review**

**a. Hard Surface Flooring report from TWCM Board Meeting 2-14-22**

Committee discussed prior work done, over a period of 2 years, by a separate committee to the Board, specifically for this issue. This prior work recommended that hard surface policy remain as is with carpeting required in upper-level units except as noted in the policy. Further research was also recommended.

Subsequently Fourth Walnut Creek Mutual had sound transmission testing, done by an acoustical consultant, which confirmed the superior performance of carpeted floors over some hard surfaces installed on acoustical underlayment's.

Recently Mutual 70 modified their policy to allow upper-level units to install hard surface flooring over various underlayment's. The committee will consult with Mutual 70 to understand the basis for their policy change and review with the Board.

**b. Building Maintenance Committee Objective**

TWCM Policy 14.0.0 Committees of the Board states that "The objective of each committee shall be stated in writing." No such document has been found. The committee will draft an objective and present it to the Board for approval.

**Clayton Clark gave the following report:**

*For the month of March 2022*

**Project 23**

- ❖ Obtained bid on SB 326 inspections from FWC. Discussed additional venting of rear decks to provide better access for inspections and better venting of decks. **No action to report**

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- ❖ MOD carpenters have corrected many woodpecker items and minor dryrot items. Pictures and report will be given to committee. Due to prior construction period, many of the guardrails will not meet current building code so permit and design drawings will be needed. **No action to report.**
- ❖ **Guardrail at 1129 AS 6C: Met with Engineer and waiting on design for bidding.**
- ❖ **Report submitted by FWC on selected decks. Repairs noted on plumbing made.**
- ❖ Railing at 1109 AS damaged by vehicle will be repaired along with additional railing at 1129 AS 4a/3a stairs has been approve for Eagle Iron. **Iron work completed and waiting on painting.**
- ❖ Rear balcony concrete deck issues at 1109 AS. **Waiting approval.**

#### Project 26

- ❖ **Painting underway to complete 2021 rehab.**
- ❖ **Leak repairs completed around 1617 Ptarmigan.**
- ❖ **1501 Pt resident leak progressing with asbestos abatement. Leaks was caused by toilet-valve line leak.**
- ❖ Fiala providing costs for tile pop outs on 1501 pt., as well as flat roof between building and carports as owners are concerned of puddling of roof. **No action to report.**

#### Project 27

- ❖ Pricing swale repairs behind 2316 Ptarmigan. Reviewing two options: repair damaged section or repair entire section as tree heaving other section. **Work order approved for Fleece and waiting on good weather.**
- ❖ **Gate valve replacement completed by 5 Star at 1932 Ptarmigan.**
- ❖ **Electrical panel replacement:**
  - **Getting bids on concerned panels in Entry 13 Pt.**
  - Working on schedule to inspect panels in Entry 10 Pt. **No action to report.**

#### Project 31

- ❖ Resolving woodpeckers at 2601 Pt pecking wood shingles. Waiting on whether to setup scaffolding, and MOD crew availability. **MOD working on shingles this month and painting will remain.**
- ❖ **Paving completed. However, more roots are bulging the entry paving in other areas.**

#### Project 32

- ❖ Reviewing leaf guards for underground drains to minimize plugging. Several locations noted as plugged by gutter cleaners at 2520 and 2528 Pt.

#### Project 33

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

#### Project 34

- ❖ **Follow up painting from minor rehab completed.**

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- ❖ 997 Tcal sewer leak corrective action underway
- ❖ Electrical service (see under P38) will be done this year.

**Project 35**

- ❖ Reviewing paving issue at 3100 TGR due to nearby redwood tree. **No action to report.**
- ❖ Termite inspections completed on entry 2 TGR and under review.
- ❖ 3118 TGR electrical wiring issue under review. **No action to report.**

**Project 36**

- ❖ 2185 CC: Price submitted and approved. Will discuss with owners who have unpermitted tile walkway. **Getting supplies to repair front entryway tile without removing tile.**
- ❖ 2105 CC rain leak under review. **Roof section will need to be replaced to avoid future damage.**
- ❖ IDA performed SB 326 balcony inspections on March 3<sup>rd</sup> and awaiting findings.

**Project 37**

- ❖ Rehab will start at Entry 4 Cactus Court this month. So far, the buildings are showing good performance and will be under budget.
- ❖ Roof section at 2110 CC will need to be replaced in 2022 due to roof leaks.
- ❖ 5 Star and landscaping are working on drain line between E2 and E4 CC.
- ❖ Assisting pest control on odor issue at 1995 Cactus Court.

**Project 38**

- ❖ Carpentry rehab completed (under budget) and deck coating in progress. Painting will follow.
- ❖ Unit service breaker replacement has approximately 13 units left to be replaced with 125-amp service. Rest is 150-amp service and will be replaced in second phase. Interesting that similar units have different services.

**Project 42**

- ❖ 622 TCal may have building settlement concerns as doors are having trouble closing. Soil engineer Olnes scheduled for June.
- ❖ 618 Tcal bathroom remodel noted moisture decay in framing. FWC plans developed and bidding.
- ❖ 600 TCal: Alteration contractor reported water under building. Staff discovered plumbing leak and referred to Davis Plumbing to fix.

**Project 44**

- ❖ Termite reports for 2022 rehab have been received.
- ❖ Resolving resale repair at 3196 RP.

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- ❖ **Advising Director on golf ball issues at 3076 Rossmoor Parkway, as this has been a common complaint in the past.**

**Project 45**

- ❖ GRF truck hit 3377 RP construction and costs should be completed this month, as garaged door is near delivery.
- ❖ 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.
- ❖ **Siding decay noted will be addressed during 2022 rehab.**
- ❖ 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**

- ❖ Moved elevator maintenance to reserves for 2022. Elevator at 1766 SD down during holidays as part need to be ordered and shipping delays encountered.
- ❖ Confirming termite inspections for 1766 SD and 1614 SD for work in 2022. **No action to report.**

**Project 51**

- ❖ **Working on re-roof pricing.**
- ❖ **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.
  - 4259 TGR drain under investigation for roots.

**Project 53**

- ❖ Investigating options to developer installed hard-wired detectors. **No action to report.**
- ❖ **4332 and 4320 TGR for roof replacement in April 2022.**

**Project 54**

- ❖ **Waiting on entry sign delivery for entry 5A. Small job but complex for sign manufacturer.**
- ❖ **Termite inspections for Entry 6 under 5yr maintenance program.**

**Project 64**

- ❖ Resolving building isolation valves and insulation with Davis Plumbing.

General:

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1. Discussion of lower enclosure decks with vinyl roofs on above balconies. **No action to report.**
2. **New carpenter employee hired. Along with temporary worker, the rehab work should be progressing quicker. Trying to hire another carpenter to take care of work order related carpentry.**
3. **Investigating the purchase of a garage door to use while waiting months for new garage door, and shared expense to those garage door projects.**

### Landscape Committee

Paul Donner reminded the Board that the landscape maintenance is still on schedule. A new landscape manager has been hired. John T. will be starting on March 23<sup>rd</sup>.

### Governing Documents Committee

Steve Park gave the following report:

- A. The Committee discussed some features of SB 908, the new legislation that took effect at the beginning of this year, with Joel Lesser, regarding Delinquency and Debt Collection. Sample Q & A s are as follows:
  - 1) Debt Collection: License is required for sending delinquency notices and making collection calls.
  - 2) Role of District Directors: Directors will no longer be involved with collection efforts. They may not work with a resident to develop payment plan.
  - 3) MOD Accounting will continue sending invoices and statements, but no demand notices.
  - 4) When the receivable becomes 90 days past due, the Mutual will decide to engage collection agency.
  - 5) The Third Mutual already signed a service agreement with HOA Repay in 2020 to handle collections.

The Committee recommends: Find out what HOA Repay will do as we work on amending our Policies under the new laws.

- B. The proposed Policy 61 on Shared Solar Agreements that were distributed to the members of Third Mutual on February 7, 2022, included errors as follows:
  - 1) 61.0.1 Second paragraph.  
Shared Solar Systems . . . may be installed by groups of owners of Units within Third Walnut Creek Mutual on roofs within ~~“Third Mutual”~~ as described ...  
The lined word should read **“their Projects”**
  - 2) 61.1.4.  
Because Shared Solar Systems can serve Owner/Applicants living in multiple buildings within the ~~“Mutual”~~ ...  
The lined word should read **“Project”** .

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3) 61.7.2 (1)

sell or otherwise ..... to another Mutual owner resident in the same “~~or adjacent~~” Project.  
The lined words should be **deleted**.

- C. The Governing Documents Committee recommends the above corrections because Shared Solar System under consideration by Third Mutual works only among the owners within the same Project.

**Alteration Permit Application Review**

No report was given.

**Communication Committee**

No report was given.

**Emergency Preparedness Committee**

No report was given

**Dispute Resolution Committee:**

No report was given.

**Solar Committee:**

Nan Warren presented the following report:

Solar Committee: Those who have signed up for solar installations are finished, for the most part, with getting their materials together to submit to MOD for permits. The installation company (YES) is ready to begin installations, and most people have signed final contracts with YES.

Adrian Byram presented a PowerPoint that focused on the of rooftop solar history in California.

**Trash Committee – AD HOC**

John Murphy gave the following report:

The trash committee is formed of 16 volunteers. Murphy has created an audit excel spreadsheet. This spreadsheet focuses on current billing to the correct billing. The goal is to reconfigure enclosures to match usage.

Still, lots of work needs to be done. The committee is making progress.

**Old Business**

**P53 Disengagement Update:** Ballots have been mailed to all P53 residents. A ballot count meeting will be held on Tuesday, April 5<sup>th</sup>, 2022, at 2pm, in the Board Room at Gateway.

**P23 Update:** Arlyss reported that legal counsel is close to a decision on this matter. The Board



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is looking forward to a resolution at the April meeting.

**New Business:**

**Commentary and Adoption of Proposed Policy 61:** On February 11<sup>th</sup>, 2022, the proposed update to policy 61 was mailed to all TWCM residents. Residents were allowed the mandatory 28-day comment period. After much discussion and input from residents, the Board decided to not adopt this update and send back to the governing documents committee for further review.

**Lien placement on account #14589:** A motion was made to place a lien on account #14589.  
**Moved, Seconded, Carried 7-0 (Park Abstained)**

**Foreclosure on account #22304:** A motion was made to authorize the foreclosure on account #22304.

**Moved, Seconded, Carried 7-0 (Park Abstained)**

**Announcements**

The next Regular Board Meeting will be held on Monday, April 11<sup>th</sup>, 2022, at 9am via zoom.

**Adjournment to Executive Session**

There being no further business, the Regular Meeting of the Board was adjourned at 11:23 am and the Board moved into executive session.

**Executive Session Summary**

The Board met in executive session from 11:31 am to 12:29 pm to discuss member matters, insurance claims, golf ball damages.

**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

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**Assistant Secretary**

Third Walnut Creek Mutual