

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

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)
Steve Park, Director Dist. XV (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)

Directors Absent: Matt Kaplan, Treasurer, Dist. V (2022)

Also Present: Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Clayton Clark, Building Maintenance Manager; Joel Lesser, Chief Financial Officer; 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 condo plans, and project funds.

Approval of Meeting Minutes

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

- a) Regular Board Meeting MinutesApril 11th, 2022
- b) Executive Meeting Minutes.....April 11th, 2022

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

Moved, Seconded, Carried 8-0

President's Report

President Rothman reported that the last Presidents forum meeting she brought up the golf ball issues that affect a couple projects in TWCM, issues such as building and physical damage to residents. At the meeting they furthered discussed the accounting department issues. The accounting department is now fully staffed, and all new hires are in the process of being trained. The financial audit is now 80% complete. Arlyss acknowledged the issue of the missed property tax payment. This mistake came with a penalty of over \$700k, \$50k of that fee was paid by MOD, the remaining balance was paid by GRF. Joel Lesser, with the help of

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MOD attorney, has filed a claim with the county to ask for a forgiveness, no answer has been received yet. All parties involved are hopeful that this money will be returned since this issue has never happened before. Another issue discussed was purchasing a new accounting software. The GRF management agreement is still not completed.

Secretary's Report

John Swearingen briefly reported the April report in the paper had to be shortened in order to fit in the paper.

Treasurer's Report

Matt Kaplan presented the following report:

This following information is based on the TWCM financial reports for January 2022, and February 2022.

The January 31, 2022, TWCM cash account balance was \$14,126.

TWCM payments in January were \$42,491 allocated as specified to the Projects.

Republic Services trash pick-up was \$19,048. Trash Recycling to GRF was \$14,068 (3 payments). It has been confirmed to me, that one of these payments, for October 2021 service, was previously paid in December 2021, and is therefore, a duplicate payment that will be reimbursed back to TWCM. CSS trash enclosure cleaning was \$8,059 (3 Payments). Project 49 was reimbursed \$1,316 for a duplicate payment made for Republic Services trash pick-up.

TWCM Owner Billables (amounts owed by owners to their project) as of January 31, 2022, was \$212,288 about \$4,000 more than the prior month.

TWCM Assessments (Coupon) owed as of January 31, 2022, was \$152,433, about \$8,000 less than the prior month.

The February 28, 2022, TWCM cash account balance was \$15,370.

TWCM payments in February were \$79,498 allocated as specified to the Projects.

Republic Services trash pick-up was \$38,398 (2 payments). CSS trash enclosure cleaning was \$2,687. Arthur Gallagher Insurance for annual Directors and Officers Liability Insurance was \$34,290. Legal Services was \$4,123 with \$3,465 to Fong & Fong and \$658 to Hughes Gill for misc. 2021 charges.

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TWCM Owner Billables (amounts owed by owners to their project) as of February 28, 2022, was \$211,288 about \$1,000 less than the prior month.

TWCM Assessments (Coupon) owed as of February 28, 2022, was \$158,135, about \$6,000 more 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.

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:

1. **Status of outstanding items from prior Committee meeting.**
 - a. **TWCM Survey of Structural Integrity and Performance of Occupied Buildings.**

Building Maintenance Committee will work with MOD to identify specific building addresses for this study and put together a request for proposal for the pricing of structural evaluations and pricing for design of retrofit schemes, and present that to the Board for action. Request will include plans of the specific buildings to be evaluated.
 - b. **Hard surface flooring report from TWCM Board Meeting 2-14-22**

Per Board direction in the April 11th monthly meeting, owners wanting to pursue hard surface flooring in upper levels units will need to provide acoustical testing to justify the installation. The committee will inform the owners and work with them to contract for these testing services.
 - c. **Building Maintenance Committee Charter/Objectives**

Proposed definition of Committee Objectives presented at April 11th meeting has been approved by the committee, and is recommended to the Board for approval:
The TWCM Building Maintenance Committee is established by the Board to ensure that the policies and procedures of TWCM pertaining to owner alterations and building maintenance are consistently followed. The committee will make recommendations to the Board regarding maintenance issues that are of concern to the general membership. The committee will recommend courses of action to the Board and will act as a liaison to the MOD who will generally

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address maintenance issues on behalf of a Project and TWCM. The committee will provide input for policy generation by the Governing Documents Committee related to alterations and building maintenance.

2. Clayton Clark Maintenance Issues

Clayton discussed installation of an ADA compliant shower, with a level-in entry, that was installed according to code but resulted in backflow into the shower due configuration of drainage system in the bathroom. Lessons learned from this installation will need to be communicated to owners and contractors making such installations in the future.

Clayton also discussed building maintenance issues arising from sprinklers located outside the buildings. Sprinkler location and coverage needs to be looked at when landscape rehab is done to make sure that water intrusion into the buildings will not occur.

3. New items for Maintenance Committee review

A question was raised regarding roofing inspection prior to solar panel installations. Some roofs have been found to have localized problems requiring repair prior to panel installation. Clayton stated that Dave Peakes from the Alterations Department has been working with the solar contractors to identify any problem roof areas. Typically, the Projects would be responsible for the cost of contracted inspections and the roof repairs.

Clayton Clark, Building Maintenance Manager gave the following report

For the month of May 2022

Project 23

- ❖ SB 326 inspections from FWC scheduled for May 19-20, and notices sent to owners. Access inside units is imperative to inspect the balcony decks due to grade and elevations for safety of inspectors.
- ❖ **Guardrail at 1129 AS 6C: Contract awarded to AMAC, and plans are being reviewed by City which we expect permit by mid-May.**
- ❖ **Looking into wheel bumpers. Vehicles are hitting the retaining wall behind 1129 9a causing block adjustments.**

Project 26

- ❖ **Painting underway to complete 2021 rehab.**
- ❖ **1501 Pt resident leak progressing as estimate obtained for insurance company for sheetrock reinstallation.**
- ❖ **Pool room overflow due to plugged drain.**
- ❖ Fiala providing costs for tile popouts on 1501 pt, as well as flat roof between building and carports as owners are concerned of puddling of roof. **Proposal submitted and work declined. Will do caulking during painting for protection.**

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- ❖ Discussions on performing SB 326 inspections at 1501 pt as part of rehab and 1621 Ptarmigan as well. **No action to report.**
- ❖ **Pool opening of May 1st. Will review pool work for upcoming budget.**

Project 27

- ❖ Swale repairs behind 2316 Ptarmigan completed unfortunately, many roots by nearby tree were removed to finish concrete.
- ❖ Signage for Entry 10 Ptarmigan is a high priority with a goal to be completed in next 2 months.
- ❖ 2316 Pt electrical being planned for May 18th.
- ❖ Prepping for rehab Entry 14 Pt.
- ❖ Submitted pricing for trash enclosure completion in project.

Project 31

- ❖ Resolving woodpeckers at 2601 Pt pecking wood shingles. **MOD carpentry completed and painting will be completed this month.**
- ❖ **MOD working on rehab scope.**
- ❖ **MOD working on fence pricing for future replacement of single-story fencing.**

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.

Project 34

- ❖ **Dumpster issues with chair being put into dumpster area.**

Project 35

- ❖ Reviewing paving issue at 3100 TGR due to nearby redwood tree. **Will defer to next year due to asphalt pricing increases.**
- ❖ 3118 TGR electrical wiring issue under review. Met with concrete company to determine extent.
- ❖ Correcting pest issue at 3126 TGR in attic. **ASM provided bid, approved and scheduling with owner.**

Project 36

- ❖ 2105 CC rain leak correction work order approved and being scheduled.
- ❖ **Wood floor issue at 2175 CC. No mutual issue.**
- ❖ **IDA performed SB 326 balcony inspections and report submitted. No major deficiencies noted but MOD carpentry will correct the minor issues noted.**

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- ❖ **MOD Carpenters reviewing termite reports for 5-year maintenance plan.**

Project 37

- ❖ **Painting in Entry 4 Cactus Court this month. Cul-de-sac area use for storage**
- ❖ **Roof section at 2110 CC will need to be replaced in 2022 due to roof leaks, and working on contract.**
- ❖ **Condensate line investigations will be completed this month in Entry 3 CC and Entry 5 Tcal.**
- ❖ **Assisting pest control on odor issue at 1995 Cactus Court. Animal decaying and odor dissipating with ozone treatment. Resolved.**

Project 38

- ❖ **Painting underway in Entry 6 & 7 TCal.**
- ❖ **Assisting alteration contractor at 803 TCal (windows) with some siding decay found**
- ❖ **Dumpster issue across from 933 TCal as construction debris put in recycling container.**

Project 42

- ❖ **622 TCal may have building settlement concerns as doors are having trouble closing. Soil engineer Olnes scheduled for June.**
- ❖ **618 Tcal bathroom framing work underway by AMAC. Removed hose bibb due to unapproved alteration and in area where damage occurred.**
- ❖ **600 TCal: Davis Plumbing and MOD staff working on schedule with owner to fix leak in the wall.**

Project 44

- ❖ **Termite reports for 2022 rehab have been received and MOD Carpentry pricing repairs.**

Project 45

- ❖ **3399 RP is waiting on carpentry bids for rehab.**
- ❖ **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 this month by routing hot water line into the attic.**
- ❖ **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.**
- ❖ **Completion of cosmetic repairs to 3304 RP to be completed this month.**

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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.**
- ❖ **Water line break between 1738 and 1726 SD resolved. PVC fitting had not glue.**
- ❖ **1824 SD repair under review with AC Enterprises.**

Project 51

- ❖ **Working on re-roof pricing.**
 - **Deferred due to cost pricing, looking for favorable pricing next year.**
- ❖ Window leak at 4125 TGR. Advised owner.
- ❖ 4243 TGR Leak upstairs/downstairs being resolved by alteration contractor.
- ❖ **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 replacements underway.**

Project 54

- ❖ **Waiting on entry sign delivery for entry 5. New sign at #5a has some issues with darker building numbers on darker building outline which MOD is evaluating.**
- ❖ **Termite inspections for Entry 6 under 5yr maintenance program.**

Project 64

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

General:

1. Discussion of lower enclosure decks with vinyl roofs on above balconies. **No action to report.**

Landscape Committee

Les Birdsall gave the following report:

On April 26, 2022, I held a meeting of the landscape committee coordinators of district 13. In attendance were Sharon Birdsall, Barbara Sedgwick, Los Weise, Tom Consoli, and Jerri McNair. Rose Holms and Milford Waldroup were not able to attend.

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Joining us was the new MOD Landscape Manager, John Tawastsjerna (John T).

It was an opportunity for each of us to meet John T and we were all very impressed. John is very well qualified and his expertise regarding landscaping in Rossmoor will be much appreciated.

This discussion included a commitment to use low water use plants. Where are we on eliminating junipers and the use of the MOD free days?

We discussed numerous topics regarding landscape needs within district 13.

The meeting was very beneficial to me. I learned a lot about the landscaping needs within Rossmoor.

Thanks to the previous coordinator Milford Waldroup for his organization of the project landscape coordinators.

John Tawastsjerna, Landscape Manager, presented the following report:

TWCM Landscape Report

MOD Days

- Currently in Project 42
 - o 5/9 to 5/11 (3 days)
 - o Removing invasive ground cover at building 600
 - o Mulch the foyer of 622
 - o Mulching plan is to be skipped in 2022
- Project 44
 - o 5/23 to 5/27 (5 days)
 - o Mulch Zone A
 - Buildings 3050 to 3076 and 3170 to 3196

Landscape Maintenance

- Lawns are currently being treated with fertilizer, a grub control product, and pre-emergent weed control
- Fire abatement work
 - o 100 ft of defensible space from buildings
 - o Pruning of low hanging limbs on trees so there is 6 ft of vertical clearance from the ground to the lowest limbs

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- Edging of ivy for areas where it is growing over the edges of curbs

Future Landscape Plans

- Juniper removals in P34, P38, & P64
 - o Met with Kevin to get a second bid for each removal project
- P31 Ptarmigan erosion control slope planting
- P44
 - o Proposal for planting areas where junipers were removed in 2019

Drought Restrictions

- **Mandatory 10 percent water use reduction** District-wide as compared to 2020 with a plan to review progress towards achieving this goal in November.
- **Reinstatement of the Excessive Use Penalty Ordinance.** The ordinance sets a threshold of roughly 1,646 gallons of water per day for households. Households who exceed the threshold will receive one warning, and then will face fines of \$2 for every 748 gallons of water above the threshold.

Updated outdoor water restrictions, including limiting outdoor watering to three times per week, prohibiting washing down sidewalks and driveways, and requiring restaurants and cafes to only provide water upon request, among other provisions.

Governing Documents Committee

Steve Park gave the following report:

Present: Directors Park and Warren, and Members Bank, Gilbert and Monsen

Absent: Director Rothman and Member Abell

The committee met to continue discussions on Bylaws Article 6.6: Election by Acclamation and Policy 45: Assessments Due Date, Delinquent Payments, And Referral for Collection

- 1) The Committee discussed the need for Board actions to be reflected on the webpage.
- 2) The Committee has asked the Chair to recommend to the Board that Legal Counsel review Bylaws Article 6 and Policy 22: Elections to recommend changes needed to address current laws related to HOA election practices.

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In attempting to update the portion of TWCM governing documents it became clear that that section would then be in conflict with other portions of the governing documents. A complete legal review is recommended.

- 3) Policy 45 will need to be updated to reflect new statutes that took effect in January. Adena volunteered to work with Michael on updating the policy, and to explore any need to include additional changes that might be needed once the collections vendor has provided their process. The committee discussed the actions Board members/MOD can still take prior to referral to collections regarding disputes or remedies for residents, such as developing payment plans prior to being sent to collections.
- 4) The committee briefly discussed Policy 57: Owner-Initiated Alterations Spas, and whether it had been deleted by a prior Board, and if it needs additional review and revision.
- 5) The Committee discussed a way to reflect policies that are being revised on the webpage, especially with respect to collections.

Alteration Permit Application Review

No report presented.

Communication Committee

John Swearingen reported that the Annual and Organizational Meetings will be held on June 14, 2022, at 10am in the Fireside Room and on Zoom.

Emergency Preparedness Committee

Arylss Rothman reported that there will be an evacuation drill on May 15th. at 7:30am. Rossmoor residents are encouraged to attend.

Dispute Resolution Committee:

Nan Warren mentioned that the dispute discussed at the April meeting has been discussed and the matter has been resolved.

Solar Committee:

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Nan Warren reported that 75% of the installations have been completed. Some residents have received approval from PG&E, others have not.

Trash Committee – AD HOC

Nan reported the following for John Murphy:

The committee has not been as active in the past month. Because of the price of gas, Nice Cans is only able to clean bins once a month. Nan has advised her projects to be mindful of what they are putting into the bins.

Old Business

P23 Update:

No update.

P53 Disengagement Update:

Barbara Mintz and Melissa Ward are working on putting together all P53 governing documents that will be sent to all P53 residents for a membership vote.

Civil Code 5502 Board Resolution:

This topic was tabled for the next meeting.

New Business:

Shared Deductible Agreement:

A motion was made to sign the 2022 Shared Deductible Agreement.

Moved, Seconded, Carried 8-0

Bank Signature Cards:

- i. Project 34: A motion was made to remove current signers, Charles Sanderson, Frank Anton, Richard Chakoff, John McDonell, Margery Yearout, from accounts #7510307902, #75110303624, and #7510303623, and allow the new signers to be Les Birdsall, Arlyss Rothman and Joel Lesser.

Moved, Seconded, Carried 8-0

- ii. Project 38: A motion was made to remove current signers, Richard Chakoff, John McDonell, and Margery Yearout, from account #7510306024, and allow the new signers to be Les Birdsall, Arlyss Rothman and Joel Lesser.

Moved, Seconded, Carried 8-0

P34 Borrowing from Reserves to Operating

A motion was made to allow P34 to borrow \$15k from their reserve account to their operating account for payment of routine expenses.

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Moved, Seconded, Carried 8-0

Announcements

The next scheduled meeting will be held on Tuesday, June 14th, 2022, at 9am in the Fireside Room, and via zoom. This will be the Annual and Organizational Meetings.

Adjournment to Executive Session

There being no further business, the Regular Meeting of the Board was adjourned at 10:53 am and the Board moved into executive session.

Executive Session Summary

The Board met in executive session from 11:04 am to 11:54 am to discuss member matters, golf ball damages, and P23 matters, and delinquent accounts.

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