

THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES OF THE BOARD
MONDAY, NOVEMBER 14th, 2022, AT 9:00AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – 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, (2025)
Mike Abell, Treasurer Dist. IX, (2025) Marty Schwager, VP Dist. X, (2024)
Les Birdsall, Director Dist. XIII, (2023) Tom Lauck, Director Dist. IV, (2023)
John Swearingen, Secretary Dist. VII, (2024) Bill Leary, Director Dist. V, (2025)
James McFarland, Director Dist. III, (2024)

Directors Absent: LauraLee Barbaria, Director Dist. XV (2025).

Also Present: Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Joel Lesser, Chief Financial Officer; 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: 2023 Budgets

Approval of Meeting Minutes

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

- a) Regular Board Meeting MinutesOctober 10th, 2022
- b) Executive Meeting Minutes.....October 10th, 2022
- c) Executive Meeting Minutes.....October 18th, 2022
- d) Special Budget Meeting MinutesNovember 4th, 2022

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

Moved, Seconded, Carried 6-2 (Lauck & Leary Abstained)

President's Report

President Warren reported on topics discussed at the last Presidents meeting:

Several Mutuals explored the possibility of changing their insurance year in 2023, however after further research from MOD Accounting it was concluded that the cons of this were more than the pros. The insurance year will not change. The 2022 MOD surplus will be used for the Jenark replacement project. TWCM audits will be completed by Thanksgiving. It was also reported that the GRF Management Agreement has been tabled until the new General Manager has been hired.

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Secretary’s Report

No report.

Treasurer’s Report

Treasurer Mike Abell presented the following report:

Owner Billable Recap - TWCM			
	Delinquent	Outstanding	Total
	Coupon	Owner Billables	Delinquent
30-Jun-22	\$164,290	\$229,544	\$393,834
31-Jul-22	\$157,199	\$252,458	\$409,657
31-Aug-22	\$144,187	\$252,834	\$397,021
9/30/22	\$117,044	\$242,813	\$359,857
October / Nov activity	-\$28,900	-\$100,000	-\$128,900
11/14/2022 estimate	\$88,144	\$142,813	\$230,957

So far 6 liens have been placed. Three are currently open. I residence is currently on MLS. The change in the MOD owner billable process that involves funding the remediation effort has reduced the drain on TWCM cash with no negative feedback to date. A lot of effort has been expended by MOD, Accounting and Directors to attack the outstanding balances.

- 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.

Finance Committee Meeting

Mike Abell provided the following report:

David Jennings has indicated interest in being part of the TWCM Finance Committee. I propose a Board Resolution to add David to the membership of the group.

A motion was made to appoint David Jennings to the TWCM Finance Committee.

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Moved, Seconded, Carried 8-0

There are no new write-off requests to be addressed at this time.

At the October board meeting I mis-spoke as to the status of the March 15, 2022, letter from the McConnell's. I indicated that I thought they were satisfied with the actions taken to address their stated issues and that the matter was closed. That was incorrect.

I was handed a package of questions from the McConnell's at the July board meeting – my first and began researching it. In reality, I was only able to satisfy the questions regarding the paving effort that were surfaced. Questions about Project consolidation, budget estimates and others were not addressed to their satisfaction or in some cases at all. As a new director I had no prior knowledge of the Rossmoor budgeting system and technique used. Sadly Mrs. McConnell was not able to get her questions answered by the former Director, nor the MOD staff, nor me. Mrs. McConnell has subsequently joined the finance committee and took advantage of the opportunity to participate in the 2023 P38 budget and made several contributions helping her to have a greater level of confidence in both the process and the prospective budget. Sadly the 2022 budget question will likely never be addressed. At the end of the 2023 budgeting cycle looking back, I believe answering their budget questions should have been easy. The McConnell questions are an example of the importance of and need for Directors, MOD and Accounting working together.

Building and Maintenance Committee

Clayton Clark provided the following report:

For the month of November 2022

Project 23

- ❖ **Review of SB 326 report.**

Project 26

- ❖ **1501 Pt rehab:**
 - **Conducted inspections of 3-story buildings with FWC for SB326 inspection portion.**
 - **MOD in phase 2 of 1501 Rehab.**
- ❖ **Looking into plastering pool instead to save costs.**

Project 27

- ❖ **Rehab completed. A roof section will be repaired next year along with a roof in Project 31.**

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Project 31

- ❖ Spectrum painting rehab buildings and will be completed this month.
- ❖ 2733 Pt roof section will be repaired in 2023.
- ❖ Waiting on SB 326 report.

Project 32

- ❖ Looking into gutter guard test.
- ❖ Waiting on SB 326 inspection report.

Project 33

- ❖ Pricing out painting per Entry 9 request for 2023, as well as paving.
- ❖ Repaired a deck section at 4024 TGR. Deck follow up will be done at a later date.

Project 34

- ❖ No action to report.

Project 35

- ❖ No action to report.

Project 36

- ❖ Resolving rain leak issues at 2105 CC.
- ❖ Concrete path repairs will be done this month between 2115 & 2135 CC.

Project 37

- ❖ HVAC contractor behind on condensate line investigation. Checking on status with All Bay.
- ❖ Repairing steel door issue at entry 4 CC.

Project 38

- ❖ Reviewing Helsing report as error was found on draft report.

Project 42

- ❖ 626 TCal still has movement issues.

Project 44

- ❖ No action to report.

Project 45

- ❖ Working with Director on past owner billables.

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Project 49

- ❖ **1824 SD repairs being done AC enterprises. More decay encountered and requesting FWC to provide guidance on repairs.**
- ❖ **1614 SD delays on deck coating will be possibly referred to others to keep up the schedule.**
- ❖ **Looking into new entry signs consistent with Entry 5 SD, recently completed.**
- ❖ **Resolving phone service.**

Project 51 A:

- ❖ 4243 TGR-rotten roof beams under review.

Project 51 B:

- ❖ No action to report.

Project 54

- ❖ **5 yr rehab completed by MOD carpenters.**
- ❖ **Estimating signage for Entry 6 consistent with newly installed sign on Entry 5.**

Project 64

- ❖ Fire sprinkler reporting is being changed to more “cloud-base” as inspection reports are uploaded to database.

General:

1. Continue to review work orders account practices.
2. *Working with accounting on damage claim information for collection.*
 - a. *Setting up test protocol for damage claims in having owners pay more costs during the restoration process, and involvement with the insurance carriers.*
 - b. *Accounting and building maintenance still working on backlog of damage claims as well as current charges, **as time permits.***
 - i. *Accounting reassignment has led to one-source handling all damage claims for all Mutuals.*

Landscape Committee

Jerry McNair provided the following report:

Landscape Reps Subcommittees:

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1. **Fire Safety:** Members Michael Cunningham, David Jennings held a preliminary meeting to discuss their primary goals and to compare sources of information. Mike Cunningham has had experience working with the Firewise USA communities' program which "helps neighbors in a geographic area get organized..., to reduce wildfire risks at the local level". They will also be reviewing CalFire, EBMU, the Insurance Institute for Business and Home Safety (www.IBHS.org) and Diablo Firesafe Council materials. They will be meeting next week.
2. **Maintenance:** Members Donna Reed and Becky Foott have held 2 meetings and created a list of questions that will be used to establish guidelines that will make our maintenance request procedure work more smoothly for both MOD, and residents.
3. **Planning and Design:** Members Robert Likuski, Suzanne Wong, Mary Ann Clark and will be holding their first meeting next week.
4. **Water Conservation:** Will be holding their first meeting after the Thanksgiving holiday.

At our last Landscape Reps meeting, we discussed the ways in which we might help residents understand the benefits of lawn conversions.

Governing Documents Committee

Les Birdsall provided the following proposed Governing Documents committee charter:

Governing Documents Committee
Mission Statement

1. Keep the governing documents concurrent with laws governing HOA's in California and update documents when significant changes in the laws occur.
2. Ensure consistency among the Bylaws and CC&R's and the policies that delineate application of the CC&R's and Bylaws.
3. Review new or revised policies drafted by other committees for consistency with existing governing documents and policies before said policies are presented to the full Board for discussion and vote.

A motion was made to approve the proposed Governing Documents charter as presented above.

Moved, Seconded, Charter 8-0

A motion was made to appoint Bill Leary to the Governing Documents committee.

Moved, Seconded, Carried 8-0

Alteration Permit Application Review

No report presented.

Communication Committee

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No report presented.

Emergency Preparedness Committee

No report presented.

Dispute Resolution Committee:

Adrian Byram will report on a resident dispute at the Executive Meeting.

Trash Committee – AD HOC

John Murphy has decided to resign from the Trash Committee. President Warren encouraged members to contact her if they'd like to be a committee member.

Old Business

a) Possible Echo Membership:

A motion was made to approve a one-year Echo membership at \$650 as a trial. President Warren advised Board Members to advise the Board Services Coordinator when they have taken a course.

Moved, Seconded, Carried 8-0

New Business:

a) Rebalance Sweep Account for P49:

A motion was made to divest P49 Reserve balances as follows: Each week for 7 weeks, buy one (1) \$125,000 8-week T-Bill until the total T-Bill account reaches \$875,000, then reinvest the cash in another 8-week T-Bill when each T-Bill comes due. Adjust the T - Bill when we need to borrow to pay the insurance bill in January. This action has been requested by director James McFarland.

Moved, Seconded, Carried 8-0

b) Rebalance Sweep Account for P36 & P37:

A motion was made to divest Reserve balances in P 36 and P 37 as follows: This action has been requested by director Nan Warren. For P 36 I would like to establish 2 \$200k CD' s each with a 1-year term, for P 37 I would like to establish 2 \$150k CD' s each with a 1-year term. The reserve balances for these projects will be refreshed in Q1 2023 after the annual insurance premium has been paid with additional reserve investments to made at that time

Moved, Seconded, Carried 8-0

c) Rebalance Sweep Account for P38:

A motion was made to divest \$400k of the P 38 reserve balance of approximately \$502k to 2 \$200k CDs each with a 1-year term. This action has been requested by Director Les Birdsall. P 38 reserve funds are split between the sweep account and an investment

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account

Moved, Seconded, Carried 8-0

Announcements

The next scheduled meeting will be held on Monday, December 12th, 2022, at 9 am 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 9:43 am and the Board moved into executive session.

Executive Session Summary

The Board met in executive session from 9:53 am to 11 am to discuss member matters, delinquent accounts, liens and IDR matters.

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