

THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES OF THE BOARD
MONDAY, OCTOBER 10th, 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) LauraLee Barbaria, Director Dist. XV (2025)
John Swearingen, Secretary Dist. VII, (2024) *Vacant, Director Dist. V, (2025)*
James McFarland, Director Dist. III, (2024)

Directors Absent: Tom Lauck, Director Dist. IV, (2023)

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: disabled community within TWCM, unmarked parking spaces on Cactus ct., CC&R updates, and ECHO membership.

Approval of Meeting Minutes

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

- a) Regular Board Meeting Minutes September 12th, 2022
- b) Executive Meeting Minutes September 12th, 2022

A motion was made to approve the Regular and Executive Meeting Minutes of September 12th, 2022.

Moved, Seconded, Carried 7-0

President's Report

President Warren reported that the majority of Mutuals agree on changing their insurance year from January to September in 2023. More info from MOD on this matter will be available at the next Presidents forum meeting. It was also reported that Jenark will be expensive to replace. The plan in place is to have GRF allow MOD to borrow money, which will be paid back over time.

Joel Lesser added that the GRF Board approved to gift the money to MOD, no payback needed.

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All candidates for the CEO position will be interviewed in December. The GRF Board expects to have the position filled by early 2023.

Secretary's Report

No report.

Treasurer's Report

Treasurer Mike Abell presented the following report:

This is a consolidated Treasurer / Finance Committee report:

The finance committee will not have met between the September board meeting and the October board meeting, either due to vacations, or more pressing actions - budget prep, or lack of data - delayed financials so there will not be a committee report.

Roxanne Stallings attended a very beneficial 3-hour seminar on the roles & duties of an HOA Director. She will make a presentation to the finance committee at the next committee meeting.

A substantial amount of delinquent collection activity has been recorded and will be reflected in the September financial results. The level of delinquency should have dropped by about 1/3rd as of September 30 and by October 30 TWCM should be about 50% of the June balance. We are moving in the right direction.

2 Liens were collected, 1 lien was determined as uncollectible, 3 more liens were processed.

Budgets for the individual projects are in review with the directors and residents and expect to lock the plans by the end of October

Members of P 38 have started reviewing their financial statements and commenting on irregularities - this is very encouraging.

The letter written by a P 38 resident to the board regarding a series of concerns has been satisfactorily resolved.

Hope to add additional finance committee representatives over the next few months to spread the coverage across most projects.

September financial results were published on September 23 a few days behind the planned release but ahead of the recent update which indicated that the results would not be available until September month end.

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We continue to see disconnects with 3rd party billings and the GL accounts. Predictability within our financials is still problematic.

During September we agreed with MOD on some changes to the Owner Billable process. Hope to see the improvements in less delinquencies.

Reached out to several apparent delinquent residents investigating stale balances. Learned of systemic control issues that warrant investigation.

- a. Motion that the Mutual Funds Report has been reviewed by the Treasurer and a summary provided to all Directors:
Moved, Seconded, Carried 7-0.
- b. Motion that all Directors have reviewed their Project Specific Financials.
Moved, Seconded, Carried 7-0.

Finance Committee Meeting

See Treasurer's report.

Next Finance Committee Meeting will be on October 18th.

Building and Maintenance Committee

The board authorized IDA, a structural engineering firm to investigate the stability of our buildings and report back. The Board expects these reports to be available toward the middle of October. This will be discussed in the committee's meeting, and the committee will report to the board next month.

Clayton Clark gave the following report:

For the month of October 2022

Project 23

- ❖ **Review of SB 326 report.**
- ❖ ***Resolving 1117 AS fixture issue with owner.***

Project 26

- ❖ **1501 Pt rehab: Working with FWC and MOD on inspections.**
 - **Inspecting guardrails as time permits for rehab**
- ❖ **Looking into fiberglass pool resurfacing. Looking into plastering pool instead to save costs.**
- ❖ ***1621 pt fixture issue damage claim.***
- ❖ ***1501 Pt fixture issue progressing.***
- ❖ ***1675 Pt fixture issue near completion.***

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Project 27

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

Project 31

- ❖ **MOD carpenters completed and waiting on Spectrum to paint.**
- ❖ **2733 Pt roof section will be repaired in 2023.**

Project 32

- ❖ **Looking into gutter guard test.**

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

- ❖ ***Hot water heater leak at 2185 CC being resolved with owner.***
- ❖ **Resolving rain leak issues at 2105 CC.**

Project 37

- ❖ **HVAC contractor behind on condensate line investigation. Checking on status with All Bay.**
- ❖ ***MOD assisting with stove claim at 1975 CC***

Project 38

- ❖ **No action to report.**

Project 42

- ❖ **No action to report.**

Project 44

- ❖ **Follow up on gutter guards for 3108 RP as well as barrier pest control.**

Project 45

- ❖ **Rehab near completion in Entry 5 RP**
- ❖ **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.**

Project 51 A:

- ❖ 4243 TGR-rotten roof beams under review.
- ❖ 4201 TGR garage door hit by unknown vehicle.
- ❖ Contractor doing electrical work led to Fire Company response.

Project 51 B:

- ❖ No action to report.

Project 54

- ❖ **5 yr rehab in progress by MOD carpenters.**
- ❖ **Resolved issue with owner who fell requesting a handrail, as it is an alteration request.**

Project 64

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

General:

1. Completing on 2023 budgets. Found some expenditures incorrectly booked to operating accounting rather than reserves.
2. MOD building security in effect.
3. New pest control company AANTEX is assisting with pest issues.
4. *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 has full access to building claim information & billing to assist on damage claims, alleviating building maintenance involvement in collection issues.*
 - c. *Newly hired insurance coordinator to assist on claims with insurance companies.*

Landscape Committee

Jerry McNair reported that it is a very busy time of year for the committee. The goal is to get the entire committee together to work alongside John Tawaststjerna. Tom Wilhite from Terra Landscape is working on putting together a concept plan and a plant list. The committee is redoing the MOD packet which outlines the process of how the residents can contact their

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landscape reps. A list of all the projects that need to be addressed this fall have been submitted to John T.

Governing Documents Committee

No report presented.

Alteration Permit Application Review

No report presented.

Communication Committee

No report presented.

Emergency Preparedness Committee

No report presented.

Dispute Resolution Committee:

No report presented.

Trash Committee – AD HOC

No report was presented.

Old Business

a) Revision of August 8th, Regular Meeting Minutes:

A motion was made to revise the August meeting minutes with the correct names of the Finance Committee members. The names are Mike Abell, Nan Warren, Tom Lauck, Mary Neff, Kay Barthold, Florence McConnell, Patty Tanner, Anne Dailey and Roxanne Stallings.

Moved, Seconded, Carried 7-0

b) District V Vacancy Update

The deadline to apply for the District V vacancy is on October 14th at 12pm. The Mutual Board Office has received 2 nominations.

New Business:

a) Rebalance P45 Reserve Cash Account with CNB:

A motion was made to rebalance the P45 reserve bank account as follows:

- 4 CDs of \$200,000 each with a 12-month term – this addresses \$800,000
- 2 CDs of \$200,000 each to be placed in 6-month CD – this addresses \$400,000
- 1 CD of \$200,000 to be placed in a 90 day CD – addressing \$200,000

This action places \$1.4 million of roughly \$1.8 million in Cd's. The balance will be left in the

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sweep account or after more analysis split between Treasury bills and the sweep account.

Moved, Seconded, Carried 7-0

b) Rebalance other Projects CNB Bank Accounts as required

President Warren advised all directors to contact Mike Abell if they would like to rebalance their CNB accounts.

c) Possible Echo Membership

This topic was tabled until the next Board meeting in November.

d) Billable Pilot Program

Clayton Clark briefly discussed a pilot program on owner billables that have been pending for several months. The pilot program was discussed with Mike Abell. Clayton and Mike would like to try out the pilot program for 2 months. More on the pilot program will be discussed in November.

Paul Donner advised the Board to consult with their attorney before making any decision on this program.

Announcements

The next scheduled meeting will be held on Monday, November 14th, 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 10:02 am and the Board moved into executive session.

Executive Session Summary

The Board met in executive session from 10:13 am to 10:34 am to discuss member matters, foreclosures, 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