

THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES OF THE BOARD
MONDAY, SEPTEMBER 12th, 2022, AT 9:00AM
ZOOM MEETING

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)	James McFarland, Director Dist. III, (2024)
Les Birdsall, Director Dist. XIII, (2023)	John Swearingen, Secretary Dist. VII, (2024)
Matt Kaplan, Director Dist. X, (2024)	<i>Vacant, Director Dist. XV, (2025)</i>

Directors Absent: Marty Schwager, VP Dist. X, (2024), and 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: 2022 audit, landscape committee, Jenark, and governing documents.

Approval of Meeting Minutes

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

- a) Regular Board Meeting MinutesAugust 8th, 2022
- b) Executive Meeting Minutes.....August 8th, 2022
- c) Executive Meeting Minutes.....August 19th, 2022

A motion was made to approve the Regular and Executive Meeting Minutes of August 8th, 2022.

Moved, Seconded, Carried 6-0

A motion was made to approve the Executive Meeting Minutes of August 19th, 2022.

Moved, Seconded, Carried 6-0

President's Report

President Warren advised that GRF will be replacing the Jenark software system with a more efficient one. This will happen between now and 2024. Four search firms have been interviewed for the replacement of Tim O'Keefe. Tim has agreed to stay until the end of the year, hopefully a replacement has been found by then.

President Warren advised all committees to draft a committee charter to present at the October meeting.

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Secretary's Report

No report.

Treasurer's Report

Treasurer Mike Abell presented the following report:

Aged delinquent coupon fees 6-30-2022: \$164,290

Aged delinquent coupon fees 7-31-2022: \$ 157,199

Aged Owner billable balance 6-30-2022: \$ 159,277

Aged Owner billable balance 7-31-2022: \$ 252,458

The growth is driven by third party billings that were not included in previous sub ledger reports. A situation where the GL and sub ledger did not tie due to errors in transaction recording / processing.

Currently we have several liens placed with HOA Repay. We have collected 2 outstanding balances recently. At least 2 additional liens will be placed in September

I had discussions with Mr. Fong regarding our ability as directors to discuss outstanding Coupon and Owner Billable balances with residents and he provided guidance and support. We will discuss his recommendation during the executive session.

There is a need to rebalance the reserve cash accounts (within our banking partner) to both maximize the return and minimize the risk in each of the accounts. Each project has a different set of circumstances. The key element of data is the demand for reserve cash over the next 15 months which we will learn more about through the budget cycle.

Nan & I have had discussions with MOD on some revisions to their process for spending Project money as they remediate individual units that have sustained a casualty loss. This will also be discussed further during the executive session.

I have kicked off a process within P 45 where I am trying to act as a concierge to residents who sustain a casualty loss and provide some coordination between the resident, their insurance company and MOD.

The 2023 budget process has started. I believe we need to work together to ensure consistency in our overall approach.

- 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.

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Finance Committee Meeting

Treasurer Mike Abell gave the following report:

August 16 Meeting:

Paul Donner presented his department org chart and his workorder process diagram.

Joel Lesser presented a series of financial documents that had been presented at the Treasurers club meeting of August 8

Discussed the upcoming budget planning

All members were present

September 6 Meeting

Discussed Third Party Billable issues and Owner Billable issues

Updated the committee on liens and coupon payment delinquencies

Discussed the need to rebalance bank accounts based on future reserve demands

Discussed the upcoming budget cycle, receipt of recent draft documents and timing

Tom Lauck and Anne Dailey were not present, all other members were present

Building and Maintenance Committee

No report was presented.

Clayton Clark, Building Maintenance Manager gave the following report

For the month of September 2022

Project 23

- ❖ **Review of SB 326 report.**
- ❖ **Completion of balcony deck after many months of delays.**

Project 26

- ❖ **1501 Pt rehab: Working with FWC and MOD on inspections.**
 - **Inspecting guardrails as time permits for rehab**
- ❖ **Looking into fiberglass pool resurfacing.**

Project 27

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❖ **Carpentry rehab completed.**

Project 31

❖ **MOD carpenters doing last phase of rehab.**

Project 32

❖ No action to report.

Project 33

❖ Pricing out painting per Entry 9 request for 2023, as well as paving.

Project 34

❖ **No action to report.**

Project 35

❖ No action to report.

Project 36

❖ **No action to report.**

Project 37

❖ **HVAC contractor behind on condensate line investigation.**

Project 38

❖ **No action to report. Red curb request is being undertaken by GRF.**

Project 42

❖ No action to report.

Project 44

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

Project 45

❖ 3399 RP near completion with Sykes Construction, a new contractor. Painting and deck coating will follow.

Project 49

❖ **1824 SD repairs being done AC enterprises. More decay encountered and requesting FWC to provide guidance on repairs.**

Project 51 A:

❖ 4243 TGR-rotten roof beams under review.

Project 51 B:

❖ No action to report.

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Project 53

- ❖ **Waiting on action from newly formed Board.**

Project 54

- ❖ **No action to report.**

Project 64

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

General:

1. Working on 2023 budgets
2. Assisting gate in new procedures for contractors.
3. New pest control company will be contracted. This will support corrective actions in crawl space and attics, and barrier protection around foundations.
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. Staff assignments for specific damage claims are under review by adding this duty or hiring of added staff.

Landscape Committee

The next landscape committee meeting is scheduled for September 23rd. The meeting will be a follow up presentation from John T. and Sustainable Rossmoor.

A motion was made to purchase plaques for trees throughout TWCM at \$15 per plaques.

Moved, Seconded, Carried 5-0-1(Kaplan Abstain)

Governing Documents Committee

A motion was made to appoint Adena Gilbert and Judy Bank to the Governing Documents committee.

Moved, Seconded, Carried 5-0-1 (Kaplan Abstain)

Alteration Permit Application Review

No report presented.

Communication Committee

No report presented.

Emergency Preparedness Committee

Nan Warren gave the following report for Fran Gibson:

September is National Preparedness Month and Third Walnut Creek Mutual urges its

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residents to gain free and easy access to three real-time alert opportunities offered by Rossmoor Public Safety, county and city civil authorities that benefit the safety and well-being of all households in Third Mutual.

Residents must know their evacuation zone number listed on their entry gates — emergency alerts will come to residents by zone number and not by street address. We have six evacuation zones covering entries in Third Mutual: WCR-001, WCR-003, WCR-004, WCR-005, WCR-006 and WCR-008.

Residents should opt into three emergency alert systems that will offer each household real-time disaster and emergency advisories and alerts as well as specific instructions in how to remain safe and resilient following a major event or incident. These instructions could include what evacuation zones are impacted, what shelters or cooling centers are open and other specific directions on what residents need to do post-disaster to remain as safe and resilient as possible.

The three strongly recommended emergency alert systems are (1) Rossmoor Nixle, (2) Contra Costa County Community Warning System and (3) WCAAlert.

Rossmoor Nixle messages come in three modes — alerts, advisories and community messages. Go to Rossmoor Emergency Preparedness Organization's web site [www.rossmoorepo.org] and at the bottom of the home page find a Rossmoor Nixle link. Follow the prompts to register your cell phone. Or, call Rossmoor Public Safety's Nixle registration phone number [1 (925) 988-7688 and follow their directions. Or, complete an on-line Public Safety form and submit it to the Rossmoor Public Safety Office.

Or, text our Rossmoor zip code as your text message ("94595") to 888777. Rossmoor Nixle has been a champion community disaster and emergency messaging asset since 2017 — sign up today to receive Rossmoor-targeted timely alerts to maximize your personal safety and well-being.

The second vital and necessary alert system is Contra Costa County's all-hazards Community Warning System (CCC CWS) which is activated only for life-threatening events by the County Office of the Sheriff. These alerts include incident information and protective actions TWCM residents should take immediately to safeguard their lives and property. Go to www.cwsalerts.com/registration to sign up. Follow the prompts to create an account to register your cell phone. Or, you can print out their on-line registration form and mail it to Community Warning System, 1850 Muir Road, Martinez, CA 94533. Or,

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call in your request to (925) 655-001. Program CWS's caller ID number into your cell phone so you do not assume the alerts are spam calls: 1 (925) 655-0195.

The third vital community alert system for all Third Mutual residents is Walnut Creek's "WCAAlert" which is an official Walnut Creek Police Department alert system for city residents warning us of potentially damaging emergencies and disasters —earthquakes, landslides, severe weather, flooding, droughts and wildfires. Sign up by texting "WCAALERT" to 888-777. Visit WCAAlert's web site (www.walnut-creek.org) to set up a household account for these alerts. If you need assistance completing your WCAAlert registration or you do not own a cell phone, call the Civic Park Community Center at 1 (925) 943-5852 Monday through Friday from 9 AM to 1 PM for personal assistance getting registered.

Third Mutual's Emergency Preparedness Forum urges residents to listen through to the entire messaging coming from any one of these crucial alert systems and to click on all links for more detailed instructions on how to remain safe — for instance, you will receive official notice of nearby shelters, cooling centers, best evacuation routes and shelter-in-place orders.

Our Forum reminds all residents it is for your sole responsibility to ready your household for future disasters and emergencies striking Tice Valley and beyond — especially with the extreme weather events we face with.

Dispute Resolution Committee:

The dispute that was submitted by a resident has been withdrawn.

Trash Committee – AD HOC

No report was presented.

Old Business

a) P53 Disengagement Update:

Project 53 will be holding their ballot count meeting on September 14th, 2022, at 10am in the Peacock Hall. At this meeting CC&R's, Bylaws and Director votes will be counted.

b) Approval of revisions to Policy and Bylaws regarding Acclamation as proposed by the Governing Documents Committee:

**Suggested Changes for two Policies Regarding
Acclamation**

Proposed Change

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Section 22.0.1 SCOPE

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 California Law 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.

Proposed New Policy

Section 22.4.0 Election of a Director by Acclamation

If, as of the published deadline for nomination, 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 a director of that district had been held within the last three years;
- a notice has been sent by individual delivery to all members of that district at least 90 days before the deadline for submitting nominations, regarding the election and the procedure for nominating candidates, and the possibility of election by acclamation without Members of that district voting;
- a reminder notice, by individual delivery to Members of that district, has been sent between 7 and 30 days before the date that nominations are closed regarding how to submit nominations and the possibility of election by acclamation without Members of that district 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.

Acclamation 22.4.0 (2)

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.

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Proposed

6.6 Election of a Director by Acclamation.

If, as of the published deadline for nomination, 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 that 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 a director of that district had been held within the last three years.
- a notice has been sent by individual delivery to all members of that district at least 90 days before the deadline for submitting nominations, regarding the election and the procedure for nominating candidates, and the possibility of election by acclamation without Members of that district voting;
- a reminder notice, by individual delivery to Members of that district, has been sent between 7 and 30 days before the date that nominations are closed regarding how to submit nominations and the possibility of election by acclamation without Members of that district 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.

Acclamation 6.6 (B)

A motion was made to approve the revisions listed above to the Policy and Bylaws as presented by the Governing Documents committee.

Moved, Seconded, Carried 5-0-1 (Abstain)

New Business:

a) Appointment of LauraLee Barbaria as District XV Director:

A motion was made to appoint LauraLee Barbaria as District XV Director until the end of term, 2025.

Moved, Seconded, Carried 5-0-1 (Kaplan Abstain)

b) Resignation of Matt Kaplan:

Matt Kaplan presented his resignation to the Board effective September 12th, 2022.

c) Announce District V Board Vacancy:

A letter will be sent to all District V members and an article will be published in the Rossmoor news, in accordance with Bylaw section 6.10.

d) AT&T and the Elevator:

California law requires telephone service in passenger bearing elevators. In the event of a power failure, passengers trapped in elevators must have a means to communicate their predicament to outside helpers. This service is provided to Rossmoor by AT&T for outrageous

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sums. For example, Mutual 70 has 6 elevators that are charged \$977 per telephone per month. Within the past few years, some mutuals and projects have been able to switch their service to Comcast at a considerable savings. TWCM needs to change the conditions under which this service is provided.

Efforts to do this are currently underway but are hampered owing to a recent change in the personnel capable of handling this problem. The former IT manager apparently left few useful records for the new IT manager to work with. So, much that needs to be done is still under investigation. So far, the following alternatives have been acquired:

- (1) AT&T offers new hard wired technology at \$195 per setup and a \$50 per month fee;
- (2) Comcast offers the same at \$100 per setup and a \$69 per month fee;
- (3) Granite offers the same at no cost for setup and a \$51 per month fee; this company works through Comcast and can offer these rates because they deal with large entities;
- (4) MyLinkLine offers cellular technology at \$100 per setup and a \$30 per month fee;
- (5) KingIII offers cellular technology at \$400 per setup and a \$47 per month fee;
- (6) Verizon has not responded to our inquiries so far.

The options are:

- (a) Pay the AT&T bills, convert to the new technology and continue with AT&T.
- (b) Pay the AT&T bills and switch to a new service provider. AT&T may bill for the remaining portions of the contract through August 2023.
- (c) Switch to a new service provider and run the risk of being sued by AT&T if no payment is made.

e) Overview of Collection process per Richard Fong:

Treasurer Mike Abell will present this topic at the Executive meeting.

f) Motion to appoint Jennifer Jennings as Inspector of Elections for the M53 Ballot count meeting.

Moved, Seconded, Carried 6-0

Announcements

The next scheduled meeting will be held on Monday, October 10th, 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 10:05 am and the Board moved into executive session.

Executive Session Summary

The Board met in executive session from 10:07 am to 10:51 am to discuss member matters, foreclosures, and IDR matters.

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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