

THIRD WALNUT CREEK MUTUAL

**Regular Board Meeting Minutes**

Monday, February 10 , 2025, at 9:30 a.m.

Zoom and In Person

Board Room at Gateway, 1001 Golden Rain Rd. Walnut Creek, CA 94595

**MINUTES**

**1. Call to Order**

President Tom Lauck called the Regular Meeting of the Board of Directors of Third Walnut Creek Mutual (TWCM) to order at 9:30 a.m.

**2. Roll Call**

**Directors Present:**

Tom Lauck, President, Dist. 4 (2026),  
 Florence McConnell, VP, Dist. 13 (2026) Bill Leary, Secretary, Dist. 5 (2026)  
 Mike Abell, Treasurer Dist. 9, (2025) Harvey Baumel, Director Dist. 3, (2027)  
 Adrian Byram, Director Dist. 7, (2027) Nan Warren, Director Dist. 14, (2025)  
 Lyman Shaffer, Director, Dist. 10 (2027) Lauralee Barbaria, Director, Dist. 15 (2025)

**Staff Present:**

Jeroen Wright, Director of Mutual Operations  
 Todd Arterburn, Chief Financial Officer  
 Clayton Clark, Sr. Building Maintenance Manager  
 John Tawaststjerna, Landscape Manager  
 Lucy Limon, Board Services Coordinator

**3. Approval of Meeting Minutes**

President Lauck addressed the Board for any corrections and/or additions to the following sets of minutes:

- a. Regular Board Meeting Minutes January 13, 2025
- b. Executive Board Meeting Minutes January 13, 2025
- c. Special Meeting Minutes January 29, 2025

Tom Lauck made a motion, seconded by Harvey Baumel, to approve the aforementioned meeting minutes.

**Moved, Seconded, Carried 9-0**

**4. President's Report**

Tom Lauck gave the following report:

Ken Johnson from Gallagher started the meeting with a discussion of the 2025 Insurance Program Renewal. Property Insurance premium for 2025 came in lower than the estimated cost used to establish the 2025 Project and Mutual budgets, i.e. \$19.23M premium in 2025 versus \$21.66M premium in 2024, an 11.2% reduction, and versus the approximately \$25.99M premium used in 2025 budgets. Percent coverage versus Total Insurable Value remains slightly below 50% as shown in the table below:

	Total	Property	Percent	Total Premium	Budgeted
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	Insurable Value	Coverage Amount	Coverage		Premium
2024	\$2.66B	\$1.16B	43.6%	\$21.657M	
2025	\$2.72B	\$1.26B	46.3%	\$19.234M	\$25.988M
Gallagher 2025	\$2.82B	\$1.26B	44.6%	\$19.234M	

Further discussion regarding the use of these excess insurance funds we are collecting will occur later in the meeting.

Allocation of premiums to the Mutuals and Projects is based on the appraised value of the properties in each, the loss history of the Mutual or Project, and whether the structures have sprinklers. Allocation of premiums will change in the future when the third phase of appraisals by Kroll are completed. A list of all buildings covered by the policies will be created with detailed descriptions of the state of construction, materials and systems like electrical and gas utilities in the buildings. An adjustment of premium allocations may be spread over several years to spread out the negative or positive impacts to each Mutual or Project budget.

The next topic of discussion was the roll out of the NetSuite system. I will let Todd provide his own update to the Board on this item later in the meeting.

After the GRF portion of the meeting the Mutual presidents received an update on the status of the Management Agreement negotiations. The front-end document has had a couple of rounds of discussion between the work group and the GRF group, represented by Jeff Matheson, Jeroen Wright and Todd Arterburn. Changes have been made, agreeable to both sides, and are being combined in a document to be presented to the presidents in the February Forum at the end of the month. This version will be provided to 3 or more attorneys representing multiple Mutuals within Rossmoor for a preliminary “30,000 foot” review.

The GRF team will develop, over the next few months, the exhibits to be attached to the agreement. These exhibits will include a detailed task list and key performance indicators that will be part of the basic services covered by the GRF management fee. They will also prepare a separate list of services that will be provided by GRF as additional services, paid by fees charged separately to a particular Project or Mutual. A template is being developed by GRF for these exhibits that will define these tasks for each of the departments within GRF. These exhibits will be reviewed with the Management Agreement workgroup in a series of meetings over the coming months.

The final Management Agreement document will consist of the front-end document and the Exhibits, to be reviewed and approved by the Mutual Board and their attorney, and then signed by GRF and the individual Mutual. The goal is to finalize this agreement and exhibits before we start on the 2026 budgets for the Mutuals.

Discussion of additional topics on the agenda were postponed for future Presidents’ Forums.

**5. Secretary’s Report**

No report was given.

**6. Treasurer’s Report**

Mike gave the following report:

Accounting has started the January closing with the new system. Will have an update at the board meeting.

The Treasurer’s club will meet the afternoon of Feb 10 with a very robust agenda.

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The board resolutions to approve the loan from reserves to Op Cash to pay the 2025 insurance premiums was approved Jan 29. Once I can determine the remaining reserve balances I will balance reserves and proceed with the February maturities.

I recommend we strive to build up op cash with the favorable budget to actual expense for 2025 insurance.

- a. A Motion that Mutual Funds Report has been reviewed by the Treasurer and a summary provided to all Directors:

**Mike Abell moved, Harvey Baumel seconded, Carried 9-0**

- b. A Motion that all Directors have reviewed their Project Specific Financials:

**Mike Abell moved, Harvey Baumel seconded, Carried 9-0**

### 7. GRF Senior Staff Reports

Jeroen Wright, Director of Mutual Operations, reported that the Management Contract Committee has been diligently working on the agreement over the past several months. The boilerplate contract is now near completion and will be presented at the upcoming Presidents Forum Meeting this month. The next step for the committee will be finalizing the appendices.

Mr. Wright also shared that he and his team attended the 2025 CACM Legal Seminar last Thursday and Friday. Key topics included electronic voting and the Corporate Transparency Act. Additionally, he highlighted SB900, a new law requiring that if there is a disruption in utilities, the HOA must commence replacements within 14 days. He assured the Board that TWCM is already in compliance with this regulation.

However, he noted that infrastructure elements such as pipes and electrical systems are typically not included in reserve studies. He recommended that the Board begin discussions with their reserve study providers about incorporating this information, though he acknowledged the challenges involved.

Todd Arterburn, CFO, provided a brief update on the NetSuite implementation. He acknowledged an issue with coupon payments in January, which required unforeseen workarounds, but expressed confidence that this will not be a problem moving forward. He emphasized that the next four months will be challenging as NetSuite is implemented and all 2024 documents are finalized and streamlined with Jenark. Todd encouraged everyone to remain patient as the team works toward a successful transition.

John Tawaststjerna, Landscape Manager, provided an update on the 2025 MOD days. He reminded all Board and committee members to ensure they have the correct dates. If you have not received them, please reach out to John directly via email.

### 8. Committee Reports

- a. Governing Documents Committee

No report was made.

- b. Building Maintenance Committee

**Clayton Clark provided the following report:**

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*For the month of February 2025*

**Project 23**

- The community room thermostats have been replaced with easier turning device. Since these are floor heaters, checking with HVAC contractor if a timer can be installed per committee request. **Awaiting estimate.**
- **Repairs to the community room womens restroom will be completed this month due to water supply leak.**
- **Work on 1129 AS guardrails by AMAC is about 55% complete.**

**Project 26**

- **AMAC is 60% completed at 1621 pt**
- **Resolving resale inspection issue with wiring/plumbing in storage room.**
- **Setting up termite repairwork at 1801 Ptarmigan due to drywood termites infestation.**

**Project 27**

- Re-roof replacement on hold due to City WC upgrade requirements.

**Project 31**

- **Concrete and Lights at 2721 Ptarmigan.**

**Project 32**

- No action to report.

**Project 33**

- **Resolving resale issues at 4032 TGR.**
- **4028 TGR front tile work estimate from Fleece under review.**

**Project 34**

- **Alteration fence at 999 Tcal repair referred back to owner.**

**Project 35**

- MOD quoting small SB 326 inspection repairs railing and support posts. **No action to report.**
- **MOD resolving moisture issue at 3112 TGR, most likely due to nearby redwood tree.**
- **Electrical work pending on short circuit near 3112 TGR.**

**Project 36**

- **Rehab of 3 buildings planned for 2025.**
- **Reviewed gable and attic venting and found gable vent has 1/8" wire but attic eaves only had 1/4 wire.**

**Project 37**

- **1905 Cactus Court-Leak investigating continuing.**

**Project 38**

- No action to report.

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#### Project 42

- **Vehicle accident impacting 622 and 626 TCal. Car insurance is reviewing.**

#### Project 44

- **3142 RP work waiting City of WC permit review and approval. Comments received from City of WC and sending to FWC for revision.**
- **Reviewing electrical installations at some carports and damage to inside of carport. Wheel bumpers have been moved and need to be relocated to prior locations. No action to report.**

#### Project 45

- **Entry 8 Rossmoor Parkway rehab:**
  - **Meeting with owner on alteration roof with owner at 3612 RP.**
- **3350 RP crawl space hatch under review for spring loaded hatch. Hatch was left open and critter entered crawl space.**
- **3580 RP:**
  - **Installing plastic barrier to crawlspace to mitigate odor issues with damp conditions but no standing water has been noted.**
  - **Attic area inspected and no pest issues found.**

#### Project 49

- **Contract underway for pump station.**
- **Rehab of 1766 SD month by AC Enterprises, and under observation by FWC engineers.**
  - **Working on repairs to #1 side of building to complete the rehab work.**
- **Working on alternative for privacy lattice fence with sheetmetal.**
- **Following up with KR Electric on electrical panel inspections. Meeting held with contractor to discuss findings. Unit service breakers recommended to be replaced due to age as well as labeling to conform with code requirements.**

#### Project 51 A:

- **No action to report.**

#### Project 51 B:

- **No action to report.**

#### Project 54:

- **1412 SD carpentry completed. Painting remains and waiting on better weather to continue.**
- **Investigating hard-wired detectors. Setting up meeting with Dellamar Electric who recently did M50 detector work for estimate on like replacement.**

#### Project 64

- **No action to report.**

#### General

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- Elevator alarm panel review underway for pricing of annual service. Last done 2021, As time permits. Cintas price is \$1300 each and trying to get other bids. **Price obtained from new contractor for P49 who also cleared the alarm at 1766 SD with new battery.**
- **Knox boxes being installed with keys at all elevator locations per Fire inspector notice.**
- Fire extinguisher inspection class being scheduled for interested parties.

c. **Landscape Committee**

Jerri McNair gave the following report:

Zone 0 and FireWise

The Contra Costa Times reported on Saturday, Feb. 8 that Governor Newsom “ordered that within 45 days, state officials must post a draft of the 5-foot rule and hold a public workshop to gather input on it, then produce a final rule by years end. Wildfire expert in recent years have highlighted the dangers of wind driven embers that can travel great distances and ignite flammable materials on and around homes. With climate change contributing to larger, more frequent fires, state authorities have focused heavily on pushing residents to create 'defensible space' around their homes.” I will be sending out a video and information on firesafe vents to both the Board members and the Landscape Reps. This is in line with the experts advice that keeping us firesafe begins with *hardening the home and the area immediately around it*. I'll include basic information on what a firesafe and waterwise landscape should include. Landscape Rep Carolyn Ciarelli from Project 49 has agreed to help put together a notebook that can be given to each Rep when they join the committee. The photo below is a clear reminder that blowing embers, not trees, are the main cause of fire spread.

d. **Emergency Preparedness Committee**

No report was made.

e. **Electric Vehicle Charging Committee**

No report was given.

f. **Dispute Resolution:**

No report was given.

g. **Communications Committee**

Last month, Lyman Shaffer mentioned that the committee was working on two articles—one on landscape and another on dry rot prevention. Initially, the plan was to combine both topics into a single article, but due to their complexity, they are being developed separately. The dry rot article has been written and reviewed by Adrian Byram and Clayton Clark. It is expected to be ready for publication within the next couple of weeks.

The article on Common Area landscaping is also in progress. The committee interviewed Jerri McNair and John Tawaststjerna, the piece will take longer to publish as Jerri and the committee finalize planting guidelines with landscape representatives. A key focus of the article is on common area landscaping, promoting the use of low-water, fire-resistant plants, and clarifying residents' planting responsibilities. It will also highlight the role of the MOD work order desk in landscaping efforts.

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#### **h. Alterations Committee**

Nan Warren provided the following report on alteration applications in the past month; 28 applications for alterations.

#### **9. New Business**

##### **a. 2025 Shared Deductible Agreement:**

Tom Lauck made a motion, Lyman Shaffer seconded to approve the 2025 Shared Deductible Agreement.

**Moved, Seconded, Carried 9-0**

##### **b. Solicitation of Director Candidates through Rossmoor News:**

The Third Walnut Creek Mutual Board of Directors has three openings starting in June 2025. Board service requires attending monthly board meetings, various committee meetings and two annual membership meetings, as well as directing MOD staff on maintenance, landscaping, and budget issues. Potential candidates must live in the designated district. The district seats that will be up for election are:

- a. District IX: Project 45
- b. District XV: Projects 27, 31, 32
- c. District XIV: Projects 36 and 37

Candidates must provide a written statement of no more than 300 words outlining their qualifications and interest in serving on the Mutual Board. A photo may be included with the candidate statement. The written statement must be signed, dated, and submitted by March 13<sup>th</sup>, 2025, 12:00 p.m. Statements and photos may be emailed to [Llimon@rossmoor.com](mailto:Llimon@rossmoor.com), or mailed to Third Walnut Creek Mutual – Board Services Office, P.O. Box 2070, 1001 Golden Rain Road, Walnut Creek, CA 94595.

An official Candidates form will then be emailed or mailed to you for your signature. The winning candidates will be seated at Third Walnut Creek Mutual Annual Meeting.

##### **c. Fire-Resistant Improvements for 2025:**

During the recent committee meeting, a discussion was held regarding the surplus of funds resulting from insurance premiums. As TWCM is a nonprofit organization, it is not permitted to retain excess funds that are not allocated or used. The committee deliberated on possible ways to appropriately allocate the extra funds in accordance with organizational policies and regulatory guidelines.

At the Presidents Forum, Gallagher delivered a presentation on allocation metrics, providing valuable insights into potential distribution methods. A key contributing factor to the lower-than-expected 2025 insurance premiums was Rossmoor's Fire Wise certification, which played a significant role in reducing overall insurance costs.

The committee is currently exploring options to ensure the surplus funds are utilized effectively and in alignment with TWCM's mission and fiduciary responsibilities. Further discussions and recommendations are anticipated in upcoming meetings.

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d. Investment Actions – Mike Abell

Mike Abell made a motion, and Adrian Byram seconded that the accounts for projects 31, 36, 37, 38, 45, 44, 49, 51A, 51B, and 54 to request investment balances maturing in February up to the maximum not to exceed value, to be determined after the insurance loans are processed.

**Moved, Seconded, Carried 9-0**

**10. Old Business**

a. Update on CC&R Balloting on Rental Provisions:

Nan Warren made a motion, Harvey Baumel seconded to extend the ballot deadline by 30-days to ensure enough ballots are returned.

**Moved, Seconded, Carried 9-0**

b. Response to Member Comments/ Adoption of Policy Revisions:

President Lauck mentioned that he received 5 member comments regarding the proposed policy revision, which he replied to.

President Lauck mentioned that the Board will approve and adopt the proposed policies at next month's meeting.

**11. Members' Forum**

Members were afforded the opportunity to express their general concerns and make comments. Topics discussed were the proposed policy revisions, and director elections.

**12. Announcements:** The next scheduled Regular Meeting of the Board of Directors will be on Monday, March 10<sup>th</sup>, 2025, at 9:30 am, via zoom and in-person, in the Gateway Boardroom.

**Adjournment**

There being no further business, the Regular Meeting of the Board was adjourned at 11:58 a.m.

**Executive Session Summary**

The Board met in executive session from 9:00 a.m. to 9:30 a.m.:

1. Board Matters \_Disciplinary Procedures

**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