



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

Call to Order

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

Roll Call

Directors Present:

- Tom Lauck, President Dist. IV, (2026)
- Mike Abell, Treasurer Dist. IX, (2025) (zoom) Nan Warren, Director Dist. XIV, (2025)
- John Swearingen, Secretary Dist. VII, (2024) James McFarland, Director Dist. III, (2024)
- Florence McConnell, Director Dist. XIII, (2026), Marty Schwager, VP Dist. X, (2024)
- Bill Leary, Director Dist. V, (2026)

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

Staff Present:

- Jeroen Wright, Mutual Operations Director
- Clayton Clark Building Maintenance Manager
- John Tawaststjerna, Landscape Manager
- Lucy Limon, Board Services Coordinator

Members' Forum

Members were afforded the opportunity to express their general concerns and make comments. Topics discussed included: director elections, rule change notifications, and the possibility of a second meeting.

Approval of Meeting Minutes

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

- a) Regular Board Meeting Minutes January 8th, 2024
- b) Executive Meeting Minutes..... January 8th, 2024

Nan Warren made a motion and Mike Abell seconded to approve the minutes to the aforementioned Board meetings.

Moved, Seconded, Carried 8-0

President's Report

President Lauck gave the following report:

Review of 2024 Master Insurance Policy

GRF and Gallagher were able to obtain \$1.155B in property casualty insurance for a premium cost



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

close to the numbers approved in the Mutual budgets in October and November. With the \$5M Retained Risk Layer that raised the total insured limit to \$1.16B. Percent of coverage at \$1.16B with valuation at \$2.659B is reduced to 43.6%. With the significant increase in the property valuation the modeling for a 1 in 10,000-year loss event rose to \$1.255B.

Discussion with Larry Spiteri, Rossmoor Realty and Mary Beall-Neighbor, ReMax

Managers from two of the local real estate firms that handle property sales in Rossmoor discussed the impact of the less than full replacement value insurance that has been obtained. Fannie Mae and Freddie Mac find the reduced coverage unwarrantable and will not approve property loans. This will not only impact buyers that need a mortgage to buy properties in Rossmoor but will also impact consumer confidence in buying properties in Rossmoor for cash. Some sales have already failed because of these impacts.

Mutual Presidents' discussion

Members of the Treasurers Club were invited to make presentations to the Mutual Presidents at this meeting. Slide presentations will be shared with the TWCM Directors and may be distributed by them to their residents on request. GRF remained in the meeting for these presentations.

The first presentation was made by Jeff Cheung and Herma Lichtenstein from Mutual 70. Their topic was “Managing the Financial and Changes to Building Committee Processes Due to Unforeseen Conditions, aka Surprises, and a New Model to Handle Reserve Fund Projects”. This presentation focused on cost of repairs, the approval of change orders, and inspection of repair work.

The second presentation was made by David Hickey, the Treasurer of Mutual 29, who discussed the comparison of Mutual Operating Costs on a Per Unit Basis. Mutual identities were hidden and much of the data was furnished by Third Walnut Creek Mutual projects. A request was made for other Mutuals to share their 2024 budget information.

A third presentation was made by Roger Emanuel, the Treasurer of Mutual 68 on “How to Reduce Our Water Costs”. This Mutual, with 233 manors, receives 83 separate water bills, 73 residential bills and 10 irrigation bills. Residential leaks and overuse cost thousands of dollars. A leaking toilet typically costs \$200 per month or \$2400 per year. Residents have been requested to check for leaking toilets using blue tablets provided to the Mutual by EBMUD. (FYI EBMUD website indicates that you have to go to their office at 375 Eleventh Street in Oakland to get the free dye tablets.)

After these presentations Mary England, First Mutual President, provided a comprehensive list of tasks required to update the GRF-Mutual management agreement. She requested additional volunteers to help in this effort.



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

Secretary's Report

No report was presented.

Treasurer's Report

No report was presented.

- 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

Managers' Report – Jeroen Wright

Jeroen Wright reported on the latest insurance update. To date, no 2024 insurance premiums have been received from Gallagher. As soon as accounting has received those numbers the TWCM Board will be made aware. A special meeting will need to be called to pay the 2024 insurance premiums. He also reported on a study done by ECHO that compares HOA communities to Rossmoor. He advised that this study is not a direct comparison as amenities and other factors are not the same.

Jeroen also reported that he attended his first CACM legal seminar.

There is now a direct link to FireWise on the Rossmoor website. <https://rossmoor.com/rossmoor-firewise-usa-site/>

Finance Committee Meeting

No report was presented.

Building and Maintenance Committee

Nan Warren presented the following report:

The Building Maintenance Committee met on February 1 at 2 pm to discuss hard surface flooring in upper story units. Also present was Alex Salter from Salter, Inc. an audio testing company.

Mr. Salter answered questions we had, one of which was the difference between a IIC and STC ratings.

IIC testing is for impact noise, like footfalls, moving furniture, things dropping on the floor, etc. STC is



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

for airborne noise like music. He said that there was typically a difference of five points between the two.

He noted that there is a significant difference between the noise generated by carpet and pad and that generated by hard surface flooring and underlayment. Typically, he said carpet and pad would carry an IIC rating of 70 while hard surface and underlayment would result in an IIC rating of 55. In order to recommend an underlayment, he would need to look at the drawings of the building types we have here. The problem with that, unfortunately, is that not all of the buildings actually conform to the drawings, and some just have plywood between the floors rather than a layer of concrete as indicated in the drawings. We will get Alex drawings of our buildings, but we have no “as built”. He will need to look at the drawings before he makes a recommendation for the underlayment in the proposed test by Salter. In this test, a 6x6 section of underlayment and hard surface flooring will be installed in a volunteer’s unit, and the testing will be done using both the top and lower floor units.

One committee member asked if we might have liability if we allowed hard surface flooring and the downstairs neighbor sued us.

We agreed to ask Mutual 70 if we could do a test on their installations to see if it would give us information. Both Duncan and Clayton noted that Mutual 70 was especially well constructed, which would not be applicable in the same degree to Mutual 3.

The committee agreed that Nan and President Tom Lauck would confer on further steps and that Clayton would be asked to send drawings of five different building types in Third Mutual. It was also noted if we found units that only had plywood between the floors, those owners would have to live with carpet. We discussed writing the CC&Rs such that you could only have hard surface flooring “if” you had sufficient [protection between units, and the owner would be responsible for testing.

Clayton Clark presented the following report:

For the month of February 2024

Project 23

- ❖ AMS selected to perform work and is approximately 100% complete.
 - Perfect Painting is following behind AMS and 100% complete.
 - Spectrum Painting has completed painting of the guardrail and caps per Project 23 at 1109, 1113, and 1117 while AMS scaffolding was present.
 - Per Project 23 request, another bid was obtained for 1105, 1121 and 1125 AS. Waiting upon direction to continue.



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM

ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

- ❖ Scavenger pump for the elevator to reduce oil getting into the pit approved.
- ❖ Reviewing custodial contract as recreation room was unsightly.

Project 26

- ❖ 1695 PT PRV replaced.
- ❖ Vehicle damaged carport at 1501 Pt and assuming responsibility.

Project 27

- ❖ **Flat roof maintenance under review. Coating and overlay considered.**
- ❖ Looking into gutter guards at 1904 Pt as trees surround the building.

Project 31

- ❖ Getting proposal for sliding door adjustment

Project 32

- ❖ **No action to report.**

Project 33

- ❖ **Working on quote for metal doors at trash enclosures. Current bid is for metal framed doors.**

Project 34

- ❖ **No action to report**

Project 35

- ❖ Temporary electrical fix by 3112 TGR requires a more permanent solution.
- ❖ SB 326 Balcony inspections completed and waiting on report.

Project 36

- ❖ **As weather and staffing permit, remove siding for sewer overflow device to be installed.**

Project 37

- ❖ Reviewing sewer issue at 2175 CC.

Project 38

- ❖ **Obtained bid for concrete improvements to carport access.**

Project 42



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

- ❖ **No action to report.**

Project 44

- ❖ Termite inspections completed for 2024 rehab work.
- ❖ **Deck coating under review at 3118 RP.**

Project 45

- ❖ **Fiala will be doing roof at 3612 RP rear balcony due to past leaks and waiting for 3 good days to complete.**
- ❖ **Reviewed lighting improvements for Entry 8.**

Project 49

- ❖ **Assisting with solar electrical issue at 1766 SD.**
- ❖ **Assisting with power issue at 1752 SD**
- ❖ **Waiting price for pump house maintenance and reserve replacement. Two bids received but contractors specified different controllers so requesting additional information.**
- ❖ **Elevator at 1812 SD hydraulic pump replacement approved and waiting on schedule.**
- ❖ **Reviewing 1836 SD for rehab.**
- ❖ **Reviewing 1766 SD for rehab.**
- ❖ **P49 Phase 2 inspections will be done in Spring.**

Project 51 A:

- ❖ **MOD carpentry rehab will be working in Late January or early February depending on weather and other 2023 planned work.**
- ❖ **Roofing completed and performing final inspection.**

Project 51 B:

- ❖ **Roofing contract for last 2 roofs waiting on schedule.**

Project 54:

- ❖ **1412 SD scheduled for 2024.**
- ❖ **Operating budget for splitting Project will be split evenly to start 2025.**

Project 64

- ❖ **Reviewing garage door rollers for maintenance.**

General:



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

1. Staff reviewing liquid roof system for flat roofs to extend life cycles. 2 manufacturers are being considered. Dark color will be needed on visible roofs.
 - a. Membrane manufacturer will give a 25-year commercial warranty on roof replacement. This includes leak damages.
2. Staff working on 2024 rehab and other planned work. Have 2 carpenters in TWCM but highing has been difficult.

Landscape Committee

Jerri McNair presented the following report:

At our next Landscape Reps meeting, we will be reviewing our priorities that we established in 2023 and updating them for 2024. Those priorities were as follows:

FIRE SAFETY

Removal of hazardous flammable plants

Limb up all trees to 8 feet

Keep gutters free of debris during fire season

Annual weed removal on hillsides

Plan for more firesafe planting plans

For more information on firesafe landscaping, please see Marin Master Gardeners

<https://marinmg.ucanr.edu/BASICS/FIRESMARTLANDSCAPING/Plan/#spacing>

WATER CONSERVATION

Change to Low water species

Removal of turf... Use sheet mulching, not scalping or let dry out

Shift to high efficiency MPs or drip

Some areas getting too much water, and others not enough

There are areas where plants are blocking spray heads, causing water runoff

Concern about trees that are stressed where water has been cut back

Inappropriate use of bubblers and not placed in root zone

See WUCOLS.com (Water Use Classification of Landscape Species) plant water use descriptions

PLANNING AND DESIGN WORK

Need landscape plans for areas to be cleared or already cleared of flammable plants

Create gathering spaces for neighborhoods. Create maps to show needed lawn conversions

Create maps to show where additional fire safety work needs to be done

Tree replacement plan needed

Use native plants and pollinator friendly gardens Reminder



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

Planning and design to be done during Spring and Summer so that plants can be ordered in time for installation during rainy season.

MAINTENANCE

Notify residents when pruning is going to take place

Annual weed removal. How is that to be handled?

Annual tree walk: when and how? How to keep mulch on hillsides

Unnecessary pruning of plants and trees. No stripping out or “lion-tailing”

Discussion

Are there any changes that need to be made to these priorities? On your priorities for your own Entry, where would you like some help? Which of your projects on your entry did you consider most successful?

In regard our first priority, **Fire Safety**, I have included some information below as a reminder of zone 0 definitions. *Zone 0 Defensible Space and Assembly Bill 3074 Zones 1 and 2 currently make up the 100 feet of defensible space required by law. Assembly Bill 30*

Zone 0 extends 5 feet from buildings, structures, decks, etc. The ember-resistant zone is currently not required by law, but science has proven it to be the most important of all the defensible space zones. This zone includes the area under and around all attached decks, and requires the most stringent wildfire fuel reduction. The ember-resistant zone is designed to keep fire or embers from igniting materials that can spread the fire to your home. The following provides guidance for this zone, which may change based on the regulation developed by the Board of Forestry and Fire Protection.

- *Use hardscape like gravel, pavers, concrete and other noncombustible mulch materials. No combustible bark or mulch*
- *Remove all dead and dying weeds, grass, plants, shrubs, trees, branches and vegetative debris (leaves, needles, cones, bark, etc.); Check your roofs, gutters, decks, porches, stairways, etc.*
- *Remove all branches within 10 feet of any chimney or stovepipe outlet*
- *Limit plants in this area to **low growing, nonwoody, properly watered and maintained plants***
- *Limit combustible items (outdoor furniture, planters, etc.) on top of decks*
- *Relocate firewood and lumber to Zone 2*
- *Replace combustible fencing, gates, and arbors attach to the home with noncombustible alternatives.*

If you have been converting your plantings from moderate or high water use plants to low or very low,



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

here is a reminder of how important that change is! For example, in a 700 square foot area with lawn, you would typically use 31,000 gallons annually. If you change to Moderate water use plants, you would need only 15,500 gallons annually. If you change to Low water use, you would need only 6,200 gallons annually without even improving irrigation efficiency. from GreenGardenGroup, p 41, ValleyWater_Guidebook_2021_s Because being Fire Safe is part of our landscape design, it is important to keep plants irrigated to meet their water needs if you want them to be less flammable.

Governing Documents Committee

Florence McConnell gave the following report:

Here are the highlights of the Governing Documents Committee meeting held on January 17, 2024. Present were Bill Leary, Nan Warren, Tom Lauck, Roxanne Stallings and Florence McConnell.

CHANGES IN RENTAL/LEASING POLICY.

Concerns were raised by the Board members regarding real estate trusts/corporation entities buying units for rental purposes and then becoming a majority on the Board if the 1 year lifetime ownership limitation was removed.

Here are provisions from the Bylaws that protect TWCM from having a corporation/real estate trust buy units, rent out the units, and take over the Board. Richard Fong, TWCM attorney has advised that the language in our Bylaws is permissible by law.

TWCM Bylaws: **6.1 Number of Directors; Residency Requirement.** The affairs of the Mutual shall be conducted by or under the direction of a Board of Directors. The Third Mutual development has been divided into districts for the purpose of election of Directors. One (1) Director shall be elected to serve on each of the districts within the Mutual Development. Each Director shall be required to live in the district that they represent.

TWCM Policy: The TWCM policy does not include a residency requirement.

Recommended Changes from the Governing Docs Committee

Remove the one-year lifetime ownership maximum provision which could be viewed as unreasonable under the recent legislative changes.

Add a 25% maximum of units rented in each Project which is allowed under the recent legislative changes. If an Owner requests approval for a rental and the maximum number of units is already rented, the Owner's name will be placed on a rental waiting list and the request processed on a first-come-first-served basis.



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

Revise Policy 22.3.0 – add residency qualifications to match Bylaws.

FIRST AMENDMENT TO CC&Rs

Richard Fong’s office has agreed to obtain a copy of the official First Amendment that can be posted on TWCM website.

DISCUSSION ON PROJECT 23 – ADOPTION OF TWCM’S CC&Rs

Bill Leary presented a list of changes that Project 23 would like in order for Project 23 to consider adopting TWCM CC&Rs. The Committee felt changing TWCM CC&Rs is not reasonable at this point in time. Richard Fong’s office confirmed that TWCM Policies and Bylaws apply to Project 23 when Project 23 CC&Rs are silent and Civil Code overrides any outdated provision in Project 23 CC&Rs.

INSURANCE LANGUAGE CHANGES

Tom Lauck prepared an official Ballot and Amendment for revising the Insurance Provisions in TWCM CC&Rs. This will be reviewed by Legal Counsel. Tom will request Richard Fong provide a proposal on handling specific duties as Inspector of Election for upcoming membership vote.

Alteration Permit Application Review

No report presented.

Communication Committee

No report presented.

Emergency Preparedness Committee

No report presented.

Electric Vehicle Charging Committee

No report was presented.

Old Business

- a. Board action regarding Civility Task Force..... Mr. Lauck
President Lauck reported that he has drafted a letter to the Civility Task Force presenters thanking them for their input at the December Board meeting advising them that it is the intent of TWCM to promote civility in Board discussions and members forum. The Board will interrupt any conversation they determine uncivil. TWCM will post the Civility Task Force flyers within the TWCM. The TWCM Board acknowledges that they have read the pledge and they proposed to be civil within each other.



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

- b. Mike Abell and Tom Lauck will lead a discussion on Project Hopeful and provide a current status Mr. Lauck/Mr. Abell
Mike Abell reported that two weeks ago he and Tom Lauck met with Jeroen Wright and Jeff Matheson to discuss project hopeful, they were both receptive and understanding. Since then, attempts have been made to make cost comparisons, but enough data is not available.

New Business:

- a. Rat Infestation Mr. Leary
Topic was deferred.

- b. Second Amendment to Master Declaration CC&Rs Insurance Articles 10.2.3 and 10.3 Mr. Lauck
Amendments have been reviewed by Richard Fong, Mutual Attorney, and are ready to be mailed for a ballot vote to TWCM residents.

- c. Second Amendment to the Declaration of CC&Rs for Third Walnut Creek Mutual Project No. Twenty-Three Mr. Lauck
Amendments have been reviewed by Richard Fong, Mutual Attorney, and are ready to be mailed for a ballot vote to residents in Project 23.

- d. Engagement of Independent Election Inspector Services Mr. Lauck
President Lauck has reached out to multiple election inspectors, but no final choice has been made.

- e. Proposed Amendment to Policy 04.0.0 CALENDAR OF EVENTS Mr. Lauck

President Lauck presented the following changes to policy 04.0.0:

Current Policy

Board Meetings (Regular) Second Monday of each month in the Boardroom, Administration Building, Starting at 9:30 A.M. If the second Monday is a staff holiday the meeting will be held on the second Tuesday in the same place and at the same time except as posted otherwise on the Board Room door.

Proposed Policy Change

Board Meetings (Regular) Second Monday of each month in the Boardroom, Administration Building, Starting at 9:00 A.M. If the second Monday is a staff holiday the meeting will be held on the second Tuesday in the same place and at the same time



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

except as posted otherwise on the Board Room door.

A motion was made to accept the proposed changes and to be mailed to residents at the time of the next mailing.

Moved, Seconded, Carried 8-0

- f. P 45 requests a board resolution to invest \$500,000 of reserve funds into 6 month Treasuries Mr. Abell

Moved, Seconded, Carried 8-0

- g. P 31 requests a board resolution to reinvest the \$154k Treasury bill that matures on Feb 15, 2024 into another Treasury bill with a term of 6 months..... Mr. Abell/Ms. Barbara

Moved, Seconded, Carried 8-0

- h. P 49 requests a board resolution to allow the maturing \$306k Treasury bill to be placed into the reserve sweep account pending additional analysis Mr. Abell/Mr. McFarland

Moved, Seconded, Carried 8-0

Announcements

Next scheduled meeting will be held on Monday, March 11th, 2024, at 9:30 am, via zoom and in-person.

Adjournment

There being no further business, the Regular Meeting of the Board was adjourned at 11:31 am.

Executive Session Summary

The Board met in executive session from 9:01 am to 9:23 am and discussed the following:

1. Member Matters – Delinquent balance write-off
2. Member Matters – Delinquent balance write-off
3. Member Matters – Delinquent balance write-off
4. Member Matters – Lien

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



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, FEBRUARY 12th, 2024, AT 9:30AM
ZOOM MEETING AND IN-PERSON
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD
WALNUT CREEK, CA 94595

Assistant Secretary
Third Walnut Creek Mutual