



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, MAY 13TH 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)
Nan Warren, Director Dist. XIV, (2025) LauraLee Barbaria, Director Dist. XV, (2025) *via zoom*
John Swearingen, Secretary Dist. VII, (2024) James McFarland, Director Dist. III, (2024)
Florence McConnell, Director Dist. XIII, (2026) Marty Schwager, VP Dist. X, (2024)

Directors Absent:

Mike Abell, Treasurer Dist. IX, (2025) *Bill Leary, Director Dist. V, (2026)*

Staff Present:

Jereon Wright, Director of Mutual Operations
Todd Arterburn, Chief Executive Officer *via zoom*
Clayton Clark Building Maintenance Manager
Charice Jimenez, Interim Board Services Coordinator

Members' Forum

Members were afforded the opportunity to express their general concerns and make comments. Topics discussed included: Thanking Jim McFarland for his service, community garden, new voting instructions, property management agreement, and it was noted the incorrect time on the Executive Session Agenda

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..... April 8th, 2024
- b. Executive Meeting Minutes April 8th, 2024

Motion to approve the aforementioned Board Meetings Minutes:

James McFarland Moved, Marty Schwager seconded, Carried 7-0

President's Report

President Lauck gave the following report:

Report of the Presidents Forum April 22, 2024
Presented at the Board Meeting on May 13, 2024



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GRF provided a brief recap of the Insurance Town Hall that occurred on April 12th at the Event Center. The Town Hall was heavily attended both in person and via Zoom. I would refer any residents to the Rossmoor News for the report of what was discussed in the Town Hall meeting. The recording of the Town Hall was also rebroadcast on Rossmoor TV and may be available on demand for any interested residents.

A review of the set-up fees being charged by MOD for various rooms and set-up arrangements was on the agenda, but the discussion was postponed until a later Presidents Forum meeting.

GRF announced at the meeting that Todd Arterburn has agreed to take on the role of Chief Financial Officer for Rossmoor. Todd started as a consultant to the GRF Accounting Department, then took on the role of interim CFO after Tom Hand's departure. Todd brings both strong communication skills and an open management style to this position. After an introductory meeting with Mutual Presidents and Treasurers, Todd agreed to meet with me and Mike Abell to address the accounting issues we have had under the prior management. We certainly consider Todd's acceptance of this new role as a great improvement within the Accounting group.

After the GRF portion of the meeting, the Presidents Forum received an update from the Management Agreement work group on the progress of updating this agreement. The work group has been meeting on a biweekly basis to update this agreement. After reviewing three possible templates for this agreement, including the 2022 version of the Management Agreement that GRF's attorney and various Mutual attorneys could not reach consensus on, the CACM Sample Management Agreement from the 2023 Condominium Bluebook, and a sample management agreement from the CID (Common Interest Development) Consortium, the work group chose to proceed with modifications of the 2022 version of the GRF Management Agreement. This updated agreement will be reviewed with the Presidents' Forum, and after comments and revisions from that group are provided, each Mutual president will take the revised agreement to their Mutual attorneys and finally to each Mutual Board for approval. It is likely that this process will require an additional, special Board Executive Session focused exclusively on this contract between GRF and each Mutual.

The second item on Presidents Forum agenda was a discussion of Judicial Foreclosures. This is a process in which the association brings a lawsuit in court to collect a debt owed by the resident. This process is being considered by one of the Rossmoor Mutuels and the president of that Mutual was interested to find out if any other Mutuels in Rossmoor have been through that process. No other Mutual indicated that they had proceeded with this judicial process. Several mutuels, including Third Walnut Creek Mutual, indicated that they had proceeded with non-judicial foreclosures, i.e. a



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foreclosure process that takes place outside of a court, and may take only a month or two, versus a judicial foreclosure which may take close to a year to settle.

The last item on the Presidents Forum agenda was the use of written communications which discuss issues raised in the Presidents Forum that should not be circulated and discussed outside the Presidents Forum. Verbal communication is recommended to keep issues raised in the forum confidential.

Secretary's Report

No report was presented.

Treasurer's Report

President Lauck reported in Mike Abell's absence:

- a. Motion that the Mutual Funds Report has been reviewed by the Treasurer and a summary provided to all Directors was deferred until the Directors are able to review the summary.
- b. Motion that all Directors have reviewed their Project Specific Financials:
Tom Lauck Moved, Nan Warren Seconded, Carried 7-0

Managers' Report

Todd Arterburn reported on behalf of GRF senior management:

Status update on the implementation of the new NetSuite system. Todd has pushed the go live date to January 2025 for several reasons, including the alignment with the fiscal year. It was determined that the original go live date was unreasonably set. The new implementation date will allow staff to test the system and will allow for a clean transition between fiscal years. At the end of this month the Board will receive an update on the financials involved with the project. Todd continued to provide the Board with his commitment to the Board as the Assistant Treasurer as well as his and Jereon's intent for future educational opportunities. The topic of the distribution of Audit Reports was discussed.

Finance Committee Meeting

No report given

Building and Maintenance Committee

Nan Warren gave the following report:



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The Building Maintenance Committee now has two bids for testing hard surface flooring, and a volunteer who, together with a downstairs neighbor, is willing to supply an upstairs unit for testing. The two proposals will be debated, and the winner will be decided upon at the next meeting.

Clayton Clark presented the following report:

TWCM BUILDING STATUS REPORT

For the month of May 2024

Project 23

- Working on elevator phone line and obtained quote from Granite to take over the phone service. Also, asked for Caller ID for gate to easily identify elevator calling.
- Resolving issue with Janitorial contractor who believes contract is monthly-to-month since they have not been terminated. Meeting held to resolve.

Project 26

- Vehicle damaged carport at 1501 Pt and assuming responsibility. Check received from insurance company and scheduling with newer contractor.
- Pool heater vent installed.
- Waiting for county direction on pool chemical controller requirements.
- Adjusting pool light timer due to DST.
- Bids from ASM, last year's contractor who did work on 2-story buildings, was higher than anticipated. Getting bid from AMAC and Sykes Construction.
- Working with Granite to get elevator phone lines operational after ATT shut off service. Ringtone but does no ring gate.

Project 27

- **Flat roof maintenance under review. Coating and overlay considered.**

Project 31

- Getting proposal for sliding door adjustment. AMAC has provided price.
- Davis plumbing fixed underground water break near 2717.

Project 32

- **2516 Pt skylights are being reviewed for replacement as some are cracked.**
- **Owner damaged Carport**

Project 33

- **Working on quote for metal doors at trash enclosures. The current bid is for metal framed doors.**
- **New furniture for meeting area.**

Project 34

- **No action to report**

Project 35



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- SB 326 Balcony inspections report completed.
- Light electrical short circuit near block retaining wall at 3141 pt. Estimate obtained for electrician and Terra Landscape for digging. **Trench was dug and 2” pipe sleeve installed and quickly paved.**

Project 36

- **Paving contract approved and scheduled in June. Will resolve issue of recently stained paving.**

Project 37

- **Completing major sewer issue of roofs crushing sewer pipe in manor requiring concrete flooring to be removed for access.**

Project 38

- Reviewing stair issue at 965 Tcal.

Project 42

- Reviewing concrete at 626 Tcal.

Project 44

- **MOD providing carpentry costs for 3024 and 3142 Rossmoor Parkway.**
- **Illegal solar panel battery installation at 3024 RP under review as its in common area.**

Project 45

- Reviewed lighting improvements for Entry 8.
- Paint committee formed.
- Resolved landscape issue with sign at Entry 5.
- 3276 RP building level surveyed. Waiting recommendation meeting.
- 3580 RP: Having some plumbing leaks fixed and out to bid for French drain along #2 as French drain by the developer was not installed.
- Carport work at Entry 7 RP completed.
- Entry 3 Carport work completed due to accident.
- 3612 Rp balcony roof completed. Resolving downspout noise issue.

Project 49

- Waiting price for pump house maintenance and reserve replacement. Two bids received but contractors specified different controllers so requesting additional information. **No action to report.**
- **Elevator at 1812 SD hydraulic pump replacement completed. Obtaining temporary hazmat for hydraulic disposal.**
- Reviewing 1836 SD for rehab.
- Reviewing 1766 SD for rehab.
- P49 Phase 2 inspections completed.

Project 51 A:



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- MOD carpentry rehab will be working in Late January or early February depending on weather and other 2023 planned work.

Project 51 B:

- **Roofing contract for last 2 roofs starting this month. Parking will need to made available to contractors.**
- 4449 TGR window leak near completion.

Project 54:

- 1412 SD scheduled for 2024.

Project 64

- **Additional charges for fire sprinkler contractor due to fire inspector system as reports must be uploaded for \$25/each.**

General:

1. **As time permits:** 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 damage.
2. Staff working on 2024 rehab and other planned work. Have 2 **new** carpenters in TWCM as hiring has been difficult.
3. Fire inspector required monthly inspections of fire extinguishers. Current price is around \$13/extinguisher/month unbudgeted.

Governing Documents Committee

Florence McConnell provided the following report:

1. Policy Revision 04.0 Calendar of Events – Board Meeting Starting at 9:00 versus 9:30 stated in the policy.

We recommend no change in the current policy and that the Executive Session continue to start at 9:00 with the Regular Meeting starting at 9:30. The Executive Session can be reconvened after the Regular Meeting if necessary.

No Policy action would be required.

2. Updated Policy on Power Sources Under Review by the Committee

Lauralee Barbera presented an Electric Power and Equipment Policy which sets forth the requirements for owner initiated electric power and equipment. Electric power is changing rapidly and TWCM needs a comprehensive policy that addresses EV Chargers and Battery Energy Storage System (BESS).



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The Committee is in process of reviewing the document for presentation to the Board.

3. Rental/Leasing Policy

Jeroen Wright confirmed that GRF policy is to allow owners to continue to use Rossmoor common facilities during the period the Unit is occupied by a tenant.

The following language has been removed from the proposed revised Rental/Leasing Policy “Any Owner who leases or rents his or her Unit and does not still reside in Rossmoor shall not be entitled to use any common facility during the period the Unit is occupied by a tenant or tenants.” That language will also have to be removed from the current Lease Agreement that residents receive from Membership Services.

It is the opinion of the Committee that the revised policy can be approved by the Board and included with upcoming policy changes to be sent to residents for a 28-day review.

Please see attached Proposed Revised Leasing Policy

A motion was made to accept the changes in the Purposed Revised Leasing Policy.

Florence McConnell moved, Nan Warren seconded, carried 7-0

Landscape Committee

Jerri provided the following report:

Landscape chairs throughout Rossmoor have been putting together a manual of responsibilities, priorities and policies for all landscape chairs to follow. This will encourage consistency throughout all the Mutuals and enable effective reporting to the Board.

She also spoke about drought, fire, and heat and their contribution to irrigation costs. There are 3 ways to

reduce water use. Industry general rule of thumb is that if you shift from high water use plants to low water use plants you can cut back your water use by 50%, once those plants are established after the first year. The committee is looking at ways to make the shift in to low and very low water use plants. You can save 30% by switching out your inefficient spray heads to MP rotator spray heads. If you follow the industry accepted changes you will see the reduction in your water use. She encouraged the Board to

provide their input on what should be included in the manual. Lastly, discussion of Assembly Bill 1572, banning irrigating non-functional turf with potable water. Jeroen was able to go into some detail of how this will impact Rossmoor and stressed the importance of not waiting for this bill to take effect in 2029



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before we begin making some of these changes. Determining what is functional vs. non-functional turf will need further clarification as this unfolds.

Emergency Preparedness Committee

Fran Gibson provided the following report:

Rossmoor Firewise Town Hall will be on June 10 from 10-12 in the event center or on zoom on wildfire evacuation. Presenters will include Jeroen Wright, ConFire, and WCPD. There will be questions and answers, all encouraged to attend.

Rossmoor will host the Bay Area earthquake country alliances spring 2024 workshop on Tuesday may 21st at the event center from 9 a.m. to 1 p.m.

Electric Vehicle Charging Committee

No report presented.

Old Business

a. Status update on CC&R insurance amendment:

Tom Lauck reported as of last Tuesday, roughly 62% of ballots had been received. 537 votes are needed to pass the amendment in the CC&R's. The tabulation meeting scheduled for May 13th was postponed to May 30th to allow more time for ballots to be received. The inspector of elections provided notice to the members of the additional time to cast their vote and they are replacing lost ballots.

b. Status update on District Director Election

Tom Lauck updated the Board with District 3 and District 7 election. The Board had received feedback on the ballots. Revisions were made based on these comments and letters were sent out to the members explaining the laws that govern policy 22. Polls will close 24 hours before the ballots are counted based on policy 22.

New Business:

a. Tom Lauck P 26, requests the T bill that matured on April 18, 2024 in the amount of \$182,000 be renewed / reinvested in a T Bill with a maturity of 90 days..... Mr. Abell



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- b. Tom Lauck P 26, request the T Bill that matured on April 25, 2024 in the amount of \$210,000 be renewed / reinvested in a T Bill with a maturity of 90 days..... Mr. Abell
- c. Nan Warren P 37, requests the T bill that matured on April 18, 2024 in the amount of \$311,000 be renewed / reinvested in a T Bill with a maturity of 90 days..... Mr. Abell
- d. Martin Schwager P 44, requests the T bill that matured on April 18, 2024 in the amount of \$207,000 be renewed / reinvested in a T Bill with a maturity of 90 days..... Mr. Abell
- e. James McFarland P 49, requests the T bill that matured on April 25, 2024 in the amount of \$318,000 be renewed / reinvested in a T Bill with a maturity of 90 days..... Mr. Abell

A motion was made to approve the reinvestments, (a) through (e), as seen above.

Tom Lauck moved, Nan Warren seconded, carried 6-0

(Lauralee was not visible on zoom)

- f. A motion was made to appoint Todd Arterburn as Assistant Treasurer

Tom Lauck moved, James McFarland seconded, carried 6-0

(Lauralee was not visible on zoom)

- g. A motion was made to appoint Charice Jimenez as Assistant Secretary

Tom Lauck moved, Marty Schwager seconded, carried 6-0

(Lauralee was not visible on zoom)

- h. A motion was made to appoint Lyman Shaffer to the Board of Directors at the June 11th, 2024 Annual Meeting via acclamation.

Tom Lauck moved, Nan Warren seconded, carried 6-0

(Lauralee was not visible on zoom)

Announcements

Announcements: Next scheduled meeting will be the Annual Meeting of the Members held on Tuesday June 11th, 2024, at 9:30 am, via zoom and in-person, in the Fireside Room, Gateway, followed by the Organizational Meeting.

Adjournment

There being no further business, the Regular Meeting of the Board was adjourned at 11:07 am.

Executive Session Summary

The Board met in executive session from 9:00am to 9:13 am:

1. Member Matters – Delinquent balance write-off



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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.

Charice Jimenez

Interim Assistant Secretary
Third Walnut Creek Mutual



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THIRD WALNUT CREEK MUTUAL PROPOSED REVISED LEASING POLICY
For May 13, 2024 TWCM Regular Board Meeting

41.0.0 LEASING MANORS

Renting/leasing is a process by which the Owner of a condominium receives money or some other consideration in exchange for the right to occupy an Owner's unit. Because the community of Rossmoor is organized and operates to provide services and a stable living environment for its senior citizen inhabitants, TWCM seeks to minimize the uncertainty and disruption that renting/leasing units bring to the Mutual. Also, restrictions on leasing of units are necessary to ensure that the units within the Mutual continue to qualify for conventional mortgage financing and do not violate the occupancy requirements of a senior housing project, as well as to obtain other benefits for the residents of the Mutual inherent in a community of primarily owner-occupied residences.

It is recommended owners read the restrictions contained in Article 5 Rental or Leasing of the TWCM Covenants, Conditions, and Restrictions.

41.1.0 RENTAL/LEASE RULES AND REGULATIONS

Each lease must be written on the TWCM Lease Agreement form and approved in writing by the TWCM Board.

New owners are required to reside in their unit for at least one year prior to renting or leasing their unit.

No more than 25% of the units in each Project may be rented at any time.

The maximum rental/lease period is 12 months. The lease may be extended by contracting the Membership Department at least 30 days prior to the end of the 12-month period.

The minimum rental/lease period is thirty days. No Owner may lease all or part of a Unit for less than 30 days or for any transient or hotel purposes (Airbnb, VRBO, etc.).

Tenants must meet all TWCM occupancy requirements.

Tenants will be required to adhere to all TWCM Governing Documents during their occupancy.

Unauthorized Rentals/Leases, including extensions of lease periods without approval, may subject the Owner to monetary penalties: See Appendix A Supplementary Information Section 18.3 Enforcement of Rules.



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41.2 RENTAL/LEASE APPROVAL PROCESS

Any owner wishing to rent/lease their property must contact the Member Records Department at Gateway to verify that the current rental/leases in their specific Project are less than the 25% limit and to verify the owner residency requirement has been met.

Each lease must be written on the TWCM *Lease Agreement* form and approved in writing by the TWCM Board. Owners may obtain TWCMs *Request to Lease* and *Lease Agreement* forms from the Member Records Department at Gateway and shall return the completed forms to the Member Records Department.

An authorized agent of TWCM will evaluate the proposed lease for compliance with all applicable Governing Documents and Policies and recommend action to the Board.

The Board's action will be entered on the *Request to Lease* form, the form signed by the Board (and by Golden Rain Foundation where required) and the executed form returned to the Owner.

Member Records will complete processing of the approved rental/lease, notify the Owner of approval, and provide documentation and notification for Rossmoor services as needed.

41.3 MANAGEMENT OF AVAILABLE RENTAL/LEASE SPACE

If an Owner requests approval for a rental and the maximum number of units in the Owner's Project 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.

When a lease expires in the Owner's Project and the number of rentals is less than the 25% limit the next Owner in line at that Project will be notified by the Mutual and offered the option to submit a rental/lease application.