



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, NOVEMBER 13th, 2023, 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 9:31 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)
- LauraLee Barbaria, Director Dist. XV (2025), Bill Leary, Director Dist. V, (2026)

Staff Present:

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

Members’ Forum

Members were afforded the opportunity to express their general concerns and make comments. Topics discussed included: 2024 budgets, condo plans, changes in insurance, mortgages, and upcoming ECHO events.

Approval of Meeting Minutes

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

- a) Regular Board Meeting Minutes October 9th, 2023
- b) Executive Meeting Minutes..... October 9th, 2023
- c) Special Budget Meeting Minutes November 1st, 2023

Tom Lauck made a motion and Nan Warren seconded to approve the minutes to the aforementioned Board meetings.

Moved, Seconded, Carried 9-0

President’s Report

President Lauck gave the following report:

Update from Insurance Crisis Access and Availability Work Group

GRF presented an update from the Insurance Crisis Work Group, showing a presentation that was made to inform City, County, State, and national government representatives about the insurance crisis being



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faced by our Rossmoor community.

The goal of the presentation was to make Rossmoor's elected representatives aware of our property insurance issues, such as lack of 100% coverage, skyrocketing costs and the potential adverse implications. HR3777, in committee in the US House of Representatives, which expands FEMA disaster relief to common interest communities like Rossmoor, was highlighted.

Options for Updating Governing Documents

Sample CC&R amendments were distributed along with the Policy amendment issued by Third Walnut Creek Mutual on October 20th.

Proposal to finalize amendments to GRF Management Agreement

Prior efforts to finalize amendments between GRF's legal counsel and various Mutuals' legal counsels did not result in an acceptable agreement. GRF suggests the establishment of a working group composed of Mutual presidents and GRF representatives that will seek advice from an independent external counsel, representing member interests, to assist in drafting an acceptable agreement. Any agreement will then require approval by each Mutual's Board of Directors. Costs for the independent external counsel would be split between GRF and the Mutuals.

Shared Deductible Agreement

The existing shared deductible agreement, signed by 21 of 23 mutuals in Rossmoor, addresses only the insurance deductible of \$250,000. Another sharing agreement addressing costs in excess of the property insurance maximum is required and should be finalized before December 31st.

Mutual presidents' discussion

Mutual presidents discussed the GRF/MOD Service Level Analysis dated October 16, 2023. Analysis looked at metrics for GRF Management Agreement and tasks mandated by the California Civil Code and the Davis-Stirling Act, and their required schedule.

A proposal was made to meet jointly with the Mutual Treasurers' group and was finalized for a meeting with them in January.

A question was raised about special assessments being used to pay for insurance increase. Only one mutual identified that they intended to get approval from their residents for a special assessment for insurance.

A question was raised about Director Conflicts of Interest, as defined by Davis-Stirling, and whether the various mutual boards have developed a conflict of interest policy. In Third Walnut Creek Mutual



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this appears to be addressed in the Code of Ethics & Conduct signed by each of the directors.

Secretary's Report

John Swearingen reported that due to deadline changes for the news, meeting summaries will be delayed.

Treasurer's Report

Mike Abell presented the following report:

Audit report for 2022 filed.

Tax return for 2022 filed.

Budgets finalized, avg coupon increase about \$110 due to insurance and operating costs / reserve requirements.

Sept 30 Owner billable balance \$27,342

Sept 30 HOA coupon balance \$97,939

Total outstanding \$125,281

2 liens in process.

1 additional significantly delinquent – total of the 3 about \$32k.

1 foreclosure in process – expect to clear on 11-15 – approx. \$69k, net balance owed \$56k as of 11-15.

Investment accounts were established on Nov 1 for P 51-1, P 51-2, and P 42.

- a. Motion that the Mutual Funds Report has been reviewed by the Treasurer and a summary provided to all Directors:
Moved, Seconded, Carried 9-0

- b. Motion that all Directors have reviewed their Project Specific Financials.
Moved, Seconded, Carried 9-0

Managers' Report – Jeroen Wright

Jeroen Wright reported that the Firewise committee has finalized their 3-year activity plan, and they submitted their plan to ConFire for review. The committee hopes to have recognition as of 2024. SWCM



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suffered a loss of about \$80k in 2021, the resident's insurer refused to be liable for the damage. SWCM will pay the first \$10k of that and the rest of the Mutuals that participate in the Shared Deductible Agreement will contribute the remaining \$70k. Budgets are almost finalized and will be submitted to the printer.

Finance Committee Meeting

No report was presented.

Building and Maintenance Committee

Nan Warren submitted the following report:

Chairman Nan Warren called the meeting to order at 10:00 am, and the committee discussed the issue of hard surface flooring in second and third stories.

Members of the committee who attended were:

Haleh Pandajoo
Phil Prasek
Nan Warren
Roxanne Stallings

Nan asked members of the committee who had any luck with making contact with the members of Mutual 70 who had been assigned to them. These people had already installed hard surface flooring in their upstairs units and we hoped they would answer questions about them.

Nan and Phil had no response to their telephone calls. Haleh still expects to talk with the lady whom she was to interview, who recently returned from a trip to Germany.

Roxanne's person moved here three years ago and has full time caretakers. She paid \$500 for the permit to MOD, and has cups under all the dining room chairs. She did not have contact information for the people below her. However, Roxanne knows Barry Brien, who has lived for four or five years on a middle floor and has installed hard surface flooring. She will interview Barry as to his experience.

In response to Phil's question, Nan said she had called the acoustic company we discussed last month, and they said they would be glad to supply a proposal upon receipt of "as builts" of the building. After consultation with Clayton, Nan was told we have final drawings, but no "as builts" and Clayton will send her those drawings as time permits. Nan will remind Clayton to send her the drawings, substituting 1621 Ptarmigan for the three story building in Project 23.



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We discussed getting ¼” mesh for installing in vent openings in the buildings for fire prevention, and Nan said she would ask for a proposal for doing all of one of her projects, probably Project 36 because there is less slope and therefore no scaffolding would be required.

We also talked about the hot water leak in Project 37, which brought up the issue of the hot water line running from the top floor under the building and back up to the top floor. We agreed that it would be helpful to talk with Clayton about how this issue came about and will ask him to talk about it at next month’s meeting.

Nan Warren

For upstairs neighbors:

1. What year did you install your floor?
2. What kind of underlayment did you use?
3. What kind of flooring did you install on top of the underlayment?
4. Was the flooring installed as a floating floor (no mechanical connection to the floor construction and isolation from the walls)
5. Who was the installer?
6. Are you satisfied with the job?
7. Have your neighbors complained about the noise? If so, were you able to do something about their complaints?
8. Do you have rugs or runners in high traffic areas?
9. Do you have protective covers on the chair and table legs to alleviate scraping noises?

For downstairs Neighbors:

1. When you purchased your unit, did the upstairs neighbor already have hard surface flooring?
2. Has the amount of sound downstairs increased since the installation of hard surface flooring?
3. If you are bothered by the sounds, have you asked your neighbor to take steps to mitigate the noise?
4. If so, what came of your request?



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Interviews will be conducted over the next month.

In addition, the committee decided to contact Salter Acoustics and ask them how much it would cost to do acoustical studies, and what would be the best path for us to follow. Nan will follow up.

The committee also discussed pot feet or saucers under pots on second and third floor units, and decided that the CC&R's were clear enough to not warrant further action. Nan will mention to directors at the next meeting that they should keep an eye out for pots on those upper units that have no drainage, because they can be harmful to the balcony surface.

Clayton Clark presented the following report:

For the month of November 2023

Project 23

- ❖ AMS selected to perform work and will start this month.
 - Perfect Painting will follow.
 - Owners will pay for alteration modifications if needed on flooring
- ❖ Looking into transfer pump replacement at elevator.

Project 26

- ❖ **1501 Pt rehab:**
 - **Near completion except.**
 - Newly discovered landing area by stairs with City permit.
 - Painting near completion.
 - Deck coatng repairs near elevator will be done this month.
- ❖ **Patch paving in front of 1617 Pt carport completed.**
- ❖ **Chimney issue -.** Hiring another chimney contractor for another prospective to reduce smoke entering non-burning fireplace unit. **Continuing follow up with resale chimney sweep.**

Project 27

- ❖ **A roof section will be repaired next year along with a roof in Project 31.**
- ❖ **Flat roof maintenance under review.**
- ❖ **Gutter guard estimate for 2400 Pt obtained.**



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Project 31

- ❖ SB 326 report received, and MOD carpenters are providing repair costs. **Pending in winter.**

Project 32

- ❖ **SB 326 inspection report received, and MOD carpenters are providing repair scope as time permits.**
- ❖ **Condensation line work still pending.**

Project 33

- ❖ **No action to report.**

Project 34

- ❖ **Reviewing Helsing study.**

Project 35

- ❖ **Temporary electrical fix by 3112 TGR requires a more permanent solution.**
- ❖ **SB 326 Balcony inspections scheduled this month.**

Project 36

- ❖ **MOD roofing division cannot complete work so contractor will be hired after 2 estimates received.**
- ❖ **Water break between 2145 and 2125 CC resolved.**
- ❖ **Electrical issue between 2085 and 2105 CC completed.**

Project 37

- ❖ **No action to report.**

Project 38

- ❖ **Termite work completed at 975 TCal.**
- ❖ **Minor downspout work orders will be completed this month.**

Project 42

- ❖ **Concrete work underway for 622 TCal walkway.**
- ❖ **Contract for Fleece Construction to install french drain at 626 Tcal.**

Project 44



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- ❖ SB 326 inspection completed.
- ❖ Paving work completed throughout the entry.

Project 45

- ❖ **Fiala will be doing roof at 3612 RP rear balcony due to past leaks. Waiting schedule coordinated with M39 to save costs.**

Project 49

- ❖ SB 326 inspection completed Aug 7th and 8th, but further inspections not set due to other inspections on schedule.
- ❖ Looking into additional sewer cleanouts. 1606 SD bid pending to avoid backing up inside unit. **No action to report**
- ❖ **1752 SD slider work underway. Additional decay found and will be corrected.**
- ❖ Waiting price for pump house maintenance and reserve replacement. **No action to report but continuing to followup.**
- ❖ **Elevator at 1812 SD hydraulic pump replacement cost under review.**

Project 51 A:

- ❖ 4243 TGR-rotten roof beam under review. **No action to report.**
- ❖ **MOD carpentry rehab costs within budget for rehab.**
- ❖ **Roofing progressing on 4329 TGR. MOD sealing the draft stop areas, and fascia board replacements will reduce MOD costs above.**

Project 51 B:

- ❖ **Roofing contract for last 2 roofs waiting on 51-A completion. Will go into 2024.**

Project 54:

- ❖ 1404 SD painting will be started this month due to delays to confirm color choice.

Project 64

- ❖ No action to report.

General:

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.



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Landscape Committee

No report was presented.

Governing Documents Committee

Bill Leary gave the following report:

The Governing Documents Committee met on November 11th to discuss several items:

First, we discussed the status of proposed policy 24 relating to property insurance which is out for public comment. That policy provides the Board greater flexibility to deal with the ongoing insurance crisis that makes it difficult to secure full replacement value coverage not just in Rossmoor but throughout California and beyond. We have received several questions from members. Tom is drafting a response to those questions and other comments that may yet to be received and he will comment on that shortly under new business.

Second, we discussed the status of the proposed policy 97 on battery electric storage systems or BESS that was prepared by our Building Maintenance Committee. The draft is largely modeled after our existing policy 61 on solar energy systems. On November 6th, I met with our friend John Rice, Bill Parsons with MOD, and two other representatives of projects in TWCM interested in this important issue. It is a new informal task force, and several members were unable to attend. John shared with us several issues that make adoption of a good solution difficult.

For example, these batteries are quite large and heavy and create not only location and safety issues, but aesthetic issues as well when placed on the exterior of buildings in our entries. This is especially true for entries where we have detached carports instead of garages. The placement of these large batteries is made even more difficult when considering that we have several large multi-story residential buildings in TWCM. Indeed, we may need to construct walls dedicated to the placements of these batteries.

In addition, these batteries are not limited to solar power sources and differ from solar system in that solar panels were exempted from state requirements of the approval of members to alter the common area. But these batteries apparently require two-thirds vote to allow them if their placement alters the common area. We also discussed the possibility that portable batteries that do not raise some of these issues may help those seeking battery power for medical devices while we work through these and other issues, including compliance with local Walnut Creek ordinances. This may require the committee to return the committee to return the policy back to the Building Maintenance Committee for further study.

Third, we discussed on our on-going broader review of our governing documents at Mikes's suggestion to determine whether any are internally inconsistent, inconsistent with emerging state law, to fail to



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adequately address matters being better addressed by other mutuals. We decided to take a close look at those of one of our newer mutuals, Mutual 39 and will meet again on December 6th to discuss what we learned. The intention here is not to re-write ore relatively new CC&R’s but it look for any issues that require our attention on behalf of our members.

Finally, I want to give a special thank you to my dear colleague Nan Warren for chairing the committee in my extended absence. The committee has a lot of work to do and we look forward to do and we look forward to having more to report at our next board meeting.

Alteration Permit Application Review

No report presented.

Communication Committee

No report presented.

Emergency Preparedness Committee

No report presented.

Electric Vehicle Charging Committee

Lauralee reported on a proposal that will also be submitted to the GRF Board. There are two projects in Rossmoor that GRF has already committed to, one is a solar installation at Gateway and the other is the installation of solar at the new pickleball courts. Both of these will require a major upgrade.

Old Business

- a. Proposed Modification of Policy 24.0.0 Requirements for Insurance Coverage. Update on Comments Received and End of Comment Period ...Mr. Lauck

The Board received 9 emails with comments on the proposed policy amendments. Several other Mutuals in Rossmoor are proposing changes to their CC&R’s regarding insurance. The proposal that was sent out to residents suggests a short-term solution until revisions to the CC&R’s are made.

New Business:

- a. P23 Budget Approval.....Mr. Leary/Mr. Lauck



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Mutual Operations Director Jeroen Wright presented the proposed 2024 Budget for the total basic assessment and provided the reasoning and method of operation used to draft the budget.

A motion was made to approve the 2024 Budget as presented with a \$158.18 (14.4%) increase to the monthly coupon. Beginning on January 1, 2024, the monthly coupon will change from \$1,101.82 to \$1,260.00.

Moved, Seconded, Carried 9-0

b. Lauralee requests a board resolution to complete the following investment action (which was acted on as noted on Nov 2, 2023)Mr. Abell/Ms. Barbara

1. P27 T-Bill maturing on 11/2/23 of \$250k reinvested to a 12-month CD at 5.45%, maturing on 11/07/24.Mr. Abell/Ms. Barbara

Moved, Seconded, Carried 9-0

2. P31 T-Bill maturing on 11/2/23 of \$511k reinvested as following \$250k to a 12-month CD at 5.45% and \$271k to T-bill maturing on 10/31/24.....Mr. Abell/Ms. Barbara

Moved, Seconded, Carried 9-0

c. Nan Warren requests a board resolution to approve the following investment action:

1. P 36 has 2 CDs maturing on 11-15 and 11-22 respectively. Both are about \$200k. She requests that each of them be rolled over to a 12-month CD.....Mr. Abell/Ms. Warren

Moved, Seconded, Carried 9-0

2. P 37 has 2 CDs maturing on 11-15 and 11-22 respectively. Both are about \$150k. She requests that each of them be rolled over to a 12-month CD.Mr. Abell/Ms. Warren

Moved, Seconded, Carried 9-0

d. GRF Civility Task Force Proposed Meeting with Board.....Mr. Lauck

The GRF Civility Task Force has asked the TWCM if they can do a presentation at the Boards next meeting.

Announcements

Next scheduled meeting will be held on Monday, December 11th, 2023, at 9:30 am, via zoom and in-person.



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Adjournment to Executive Session

There being no further business, the Regular Meeting of the Board was adjourned at 10:57 am and the Board moved into executive session.

Executive Session Summary

The Board met in executive session from 11:11 am to 11:41 am and discussed the following:

1. Lien Accounts:
 - Approval of Lien – Account #11165
 - Approval of Lien – Account #6290

2. Disciplinary Hearings/Member Matters:
 - A discussion was held for account #18478 for violation of Nuisance.

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