

**THIRD WALNUT CREEK MUTUAL****Regular Board Meeting Minutes**

Friday, November 8<sup>th</sup>, 2024, at 9:30 a.m.

Virtually and In Person

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

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**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 9:32 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)

**Directors Absent:** 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  
Anna Rocha, 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   | October 14 <sup>th</sup> , 2024 |
| b. Executive Board Meeting Minutes | October 14 <sup>th</sup> , 2024 |

Nan Warren made a motion, seconded by Bill Leary, to approve the aforementioned meeting minutes.

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

**4. President's Report**

President Lauck provided the following report:

Ken Johnson, Senior VP for Gallagher Risk Management Services, presented an update on the 2025 Property Insurance Renewal and the status of the Alternative Risk Transfer, the \$5M per occurrence insurance with an annual premium of \$3.75M, of which 85% (\$3.1875M) is refundable to the Mutual participants and GRF with interest, less the claims paid. We are in the second year of this 5-year program so there is currently \$6.375M in this account plus earned interest in the amount of \$330K. There is currently only one claim of \$350K that will reduce the amount to be returned to the participating Mutuals and GRF.

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The Property Insurance market is showing a slight easing of capacity constraints but premiums are increasing by an average of 14.4% in the fourth quarter with only slight moderation after the two recent hurricanes that hit Florida and the southeastern US. GRF is conservatively using an estimated increase of 20% for Mutual budgets. Final numbers will not be established until the 31<sup>st</sup> of December.

At the end of the presentation I asked Ken Johnson what percent of the Total Insurable Value we were looking for. He said they were instructed by GRF to find the maximum amount of coverage that could be found at reasonable rates that meet the budget limits estimated in the 2025 budgets. So no hard number for the percentage of Total Insurable Value.

Ken also reported that General Liability rates are up by an average of 12.2%, and up 8.1% for umbrella insurance, and 8.3% for commercial auto insurance. Currently these insurance rates account for only 4% of our total insurance premiums, while property insurance accounts for 96% of our total insurance premiums.

GRF reported that some of the Mutual audits of 2023 financials are not yet completed. (TWCM audits of our 19 projects are completed and should be mailed out soon to TWCM owners.)

The Treasurers' Club requested to come to the January Presidents' Meeting. There were no objections.

A discussion was held regarding political signage outside a resident's patios and balconies. Signage in Common Areas is not allowed.

There was also a discussion about distribution of political leaflets. A consensus was reached that distribution was allowed so long as the resident distributing the leaflets is only doing so within their own mutual.

Lastly, the Presidents' Forum Management Agreement workgroup received comments from GRF and would be holding a series of meetings of the workgroup to respond to those comments.

#### **5. Secretary's Report**

No report was given.

#### **6. Treasurer's Report**

Mike Abell provided the following report:

October 14, 2024 TWCM Treasurer's Report

I am personally concerned regarding the lack of mutual analysis of the Helsing data as it pertains to the 2025 budgets – why because as of Nov 3 I have not seen the data. Editorially This is not the way to run the business.

I believe each director has done a thorough job with their Project budget preparation. At the same time several projects' reserve balances; 2024 ending and 2025 ending need careful watching / monitoring.

I am concerned regarding staffing shortages within our MOD managing Partner. Critical work both rehab and analysis has run behind much of this year. Carpentry, painting and analysis are at the top of the list.

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At the encouragement of our Rossmoor CFO all November maturing investments will be proposed for 60 day reinvestment terms while he works with prospective banks for better service.

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

**Mike Abell Moved, Tom Lauck Seconded, Carried 7-1 (Leary opposed)**

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

**Mike Abell Moved, Lyman Shaffer Seconded, Carried 7-1 (Leary opposed)**

#### 7. Committee Reports

##### a. **Governing Documents Committee**

**Report from the Gov Doc** – Florence McConnell

Florence submitted the following report:

1. Discussion on inspection of outside electrical panels for all units in TWCM as this issue was raised at the last Board meeting.  
**Recommendation:** Due to the age of the buildings and the expansion of solar/batteries being added through TWCM, we recommend that the Board instruct MOD to obtain three proposals for an electrical inspection of all outside electrical panels in order to prevent electrical fires and electrical failure.  
*Deferred to a next meeting.*
2. Reviewed and discussed Policy 61.  
**Recommendation:** Policy 61 be approved by the Board to be sent out for the 28-day member review and comment period.  
*Deferred to a next meeting.*
3. Three Outstanding Policies.  
**Recommendation:** Policies which have been approved by the Board - 16.3 Payment Methods, 57.0.0 Owner-Initiated Alterations Spas, and 60.0.0 Restriction on Uses of Decks, Patios and Roofs – be mailed with Policy 61 for the required 28-day member review and comment period.
4. Discussion on Policy 64. This policy is completely new, is complicated and expands the duties of MOD staff as well as Director responsibilities.  
**Recommend:** Present Policy 64 for review and discussion at the December Board meeting.
5. Discussion on Rental/Leasing Policy 41.1.0 approved by the Board. This Policy was approved by the Board, however, changes to the CC&Rs will need to be made and a vote of the membership is required to amend the CC&Rs. Due to the expense of having a CC&Rs vote, our attorney advised that since the new policy would most likely to be viewed as a positive change we could send the Policy out for a 28-day review and amend the CC&Rs in the future when another change needed to be made to the CC&Rs. The Board concurred.

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Concern was raised by the Gov Doc Committee Members – what if the CC&R vote fails and the new Policy is not enforceable.

**Recommendation:** The Committee recommends that the procedure be adhered to and that the Leasing/Rental CC&Rs changes be sent out for a vote. We will revise the CC&Rs for Board approval.

Tom Lauck made a motion, and Mike Abell seconded to mail a governing document packet to members that includes voting on the rental/leasing CC&R among with several policies for the required 28-day comment period.

**Moved, Seconded, Carried 8-0**

#### b. Building Maintenance Committee

Clayton Clark provided the following report:

#### *For the month of November 2024*

##### **Project 23**

- Getting estimates to powerwash the deck at 1129 Avenida Sevilla. No action to report.
- 925 Cleaners starting this month. Will power clean carpet and scrub tile in elevators to bring to maintenance condition. Each level will be cleaned once per month.

##### **Project 26**

- Waiting for county direction on pool chemical controller requirements. No action to report.
- AMAC will start Nov 12<sup>th</sup> when contract approved. AMAC is working on 1683, 1679 and 1675 Ptarmigan rehab. Painting and deck coating will follow.
- Both elevators are working on new Granite EPIK satellite system.
- Obtaining bid for new electrical service and light to Entry 8 Ptarmigan.
- MOD has deferred painting requests for Entry 8 and 9 due to rehab in 2026

##### **Project 27**

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

##### **Project 31**

- AMAC will apply for City permit on slider at 2601 Pt, after alteration approval.
- Fencing for 2641 and 2653 Ptarmigan completed.
- 5 Star completed concrete replacement at 2653 Pt due to nearby redwood trees. Waiting on drainage price for rear of building.

##### **Project 32**

- Paving repair in front of 2516 Ptarmigan approved and waiting on schedule.

##### **Project 33**

- MOD quote to repair trash enclosure fences approved, and will take place this month.
- Fiala near completion of re-roofing the carports.

##### **Project 34**

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- No action to report.

#### **Project 35**

- Termite inspections completed for rehabs 2024 and 2025.

#### **Project 36**

- Condensate lines found at 2175 CC. Terra L/S will put in boxes to protect the lines.
- Water issue resolved at 2175 CC. Waiting on siding to arrive to complete repairs. Will add this type of siding to MOD stock for quicker response.
- Assisting gutter guard alteration with contractor unfamiliar with the alteration process.

#### **Project 37**

- Uneven stairway due to tree lifting under review.

#### **Project 38**

- Working on unapproved alteration ramp correction with owner. City of WC permit required. Painting of structure due to light reflectivity included

#### **Project 42**

- 606 TCal rehab near completion. Deck coating will follow.

#### **Project 44**

- 3142 RP contract approved along with special inspection requirements. Next step, is getting City of WC permit.
- Illegal solar panel battery installation at 3024 RP under review. No action to report.
- Met at 3064 RP to review building stabilization. No action needed.
- 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:
  - Painting and deck coating will start this month.
  - Deferring alteration roof with owner at 3612 RP due to no response.
- 3580 RP: near completion. Landscaping will be completed after rehab 2025.
- Discussion of alteration roofs for lower floor units.

#### **Project 49**

- Drafting pump station improvement contract for 2025 work.
- Rehab of 1766 SD month by AC Enterprises, and under observation by FWC engineers.
  - Finally received City approval due to outside plan check of 3-4 weeks per comment period.
  - Deck coating and major painting completed.
- Working on alternative for privacy lattice fence with sheetmetal.

#### **Project 51 A:**

- Painting this month in Entry 13.

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#### **Project 51 B:**

- Review of balcony rails in Entry 16 TGR.

#### **Project 54:**

- 1412 SD carpentry this month.

#### **Project 64**

- No action to report.

#### **c. Landscape Committee**

No report was given.

#### **d. Emergency Preparedness Committee**

No report was given.

#### **e. Electric Vehicle Charging Committee**

No report was given.

#### **f. Dispute Resolution:**

Lyman Shaffer presented the following:

#### Third Mutual Dispute Resolution Committee

The purpose of the Dispute Resolution Committee is to recruit and train volunteers who will assist in resolving disagreements between residents. The Third Mutual Board instituted this committee because the Board believes that resolving such disagreements will prevent small disputes from growing and affecting the harmony of neighborhoods.

Volunteers have been trained in Active Listening and Dispute Resolution. They have signed a Confidentiality Agreement which ensures that they will not disclose any information obtained through their service on this Committee. Volunteers have also provided a summary of their previous experience in dispute resolution.

If a Director believes that a situation exists that could be resolved through dispute resolution, he/she will contact the Chair of the Dispute Resolution Committee. The Chair and the requesting Director will review the background summaries provided by the volunteers and select the volunteer believed to have the experience most appropriate for the resolution of the conflict.

The requesting Director will then provide the selected volunteer with background information, any relevant governing documents, and any other assistance required to resolve the situation. While respecting the confidentiality of the parties in dispute, the volunteer will report to the Director if the situation has been resolved or if further effort will resolve the matter.

The Committee Chair will report to the Board on the number of disputes and their general resolution.

#### **g. Communications Committee**

Mr. Shaffer gave the following report:

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In August, the Third Mutual Board established a Communications Committee to ensure that residents were kept up to date on issues that impacted them. The Committee consists of two directors and four volunteers with backgrounds in writing, editing, and publishing.

Attached is the first edition of the Third Mutual News. It provides information on a very timely topic – the monthly coupon. It also covers a more general issue – getting help when the MOD offices are closed.

I hope that you will find this informative.

*Please see Third Mutual News document attached at the end.*

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

Nan Warren provided the following report on alteration applications in the past month; 28 applications for alterations, this month the majority of them were for HVAC.

#### **8. GRF Senior Staff Reports**

Jeroen Wright, Director of Mutual Operations, provided the following report:

Mr. Wright informed the Board that the TWCM budget meeting will be held on November 14<sup>th</sup>. The budgets will hopefully be approved at the that meeting and Bud Baxter and his team will prepare the booklets to be mailed. Bud and Jeroen are finalizing the presentation that will be given at that meeting.

TWCM is very well represented within the Firewise Committee with Lyman Shaffer. Jeroen has submitted for 2024-2025 recognition. A Firewise Townhall meeting will be held on January 14, 2pm-4pm in the Event Center and via zoom. Jeroen will be working with Ann Mottola to hopefully provide a shuttle service to residents. He reported briefly on zone 0.

Todd Arterburn, CFO, Provided the following report:

Mr. Arterburn updated the Board the labor-intensive work involved with the implementation of the new NetSuite system starting January 1<sup>st</sup>. Todd and his team are putting together a fiscal calendar. Accounting is working on several things that have been put on the side for several years. Todd also discussed the status of the year-end packet mailing and audit. Jeroen and Todd mentioned that the goal is to have them in the mail before the Thanksgiving holiday.

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President Lauck noted that the Directors need to communicate to their residents how much the Board would appreciate residents completing the 4041 with email contact only so that it can be utilized, saving the Mutual substantial amounts of money. The Board may need to explain to the residents that this is a yearling form they will need to complete. Last year 400-500 people did not respond.

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

- a. Investment Actions – Mike Abell
- a. P 23 Maturing Treasury bill 11-07-2024 103,057



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- b. P 27 Maturing Treasury bill 11-07-2024 49,835
- c. P 31 Maturing Treasury bill 11-21-2024 151,325
- d. P 36 Maturing Treasury Bill 11-21-2024 101,872
- e. P 37 Maturing Treasury Bill 11-21-2024 317,901
- f. P 37 Maturing CD 11-21-2024 150,102
- g. P 37 Maturing CD 11-27-2024 150,033
- h. P 38 Maturing CD 11-19-2024 200,088
- i. P 42 Maturing Treasury 11-07-2024 103,498
- j. P44 Maturing Treasury 11-21-2024 211,603
- k. P 45 Maturing CD 11-19-2024 200,118
- l. P 45 Maturing CD 11-27-2024 200,044
- m. P 45 Maturing CD 12-04-2024 200,072
- n. P 45 Maturing CD 12-05-2024 200,102
- o. P 49 Maturing Treasury 11-29-2024 549,740
- p. P 51A Maturing Treasury 11-29-2024 204,516
- q. P 51B Maturing Treasury 11-21-2024 302,999
- r. P 54 Maturing Treasury 11-29-2024 151,823

Mike Abell made a motion, and Tom Lauck seconded to approve the above actions for a 2-month Treasury Bill at the current rate.

#### **Moved, Seconded, Carried 7-0**

- b. Form 4041 Distribution for 2025 – Tom Lauck  
Tom Lauck reported that the 4041 form is due by November 30<sup>th</sup>. The form has gone out to TWCM members via email and mail.
- c. TWCM Room Reservations for recurring events due by November 15<sup>th</sup>– Tom Lauck  
Tom Lauck reported that room reservations must be made for all recurring meetings in 2025. Nan Warren explained how the TWCM New Resident Orientation meetings should be held.

#### **10. Old Business**

- a. Budget Meeting November 14<sup>th</sup>, 2024 – Donner Room at Event Center 9am – All TWCM residents are invited to attend.

#### **11. Members' Forum**

Members were afforded the opportunity to express their general concerns and make comments. No Topics comments were discussed.

- 12. Announcements:** The Annual Budget Presentation will take place on November 14, 2024, at 9:00 am in the Event Center – Donner Room. The next scheduled Regular Meeting of the Board of Directors will be on Monday, December 9th, 2024, at 9:30 am, via zoom and in-person, in the Gateway Boardroom.





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### **Adjournment**

There being no further business, the Regular Meeting of the Board was adjourned at 11:48 a.m.

### **Executive Session Summary**

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

1. Member Matters \_Member Matters \_Lien
  - Mike Abell made a motion, seconded by Bill Leary, to approve a lien to be placed on the property.  
**Moved, Seconded, Carried 8-0**
2. Member Matters \_Member Matters – Accomodation Request \_\_Account #23635
  - *The Board received an update on this ongoing issue*

### **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