



THIRD WALNUT CREEK MUTUAL
BOARD MEETING MINUTES
MONDAY, SEPTEMBER 11th, 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 9:30 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)
- LauraLee Barbaria, Director Dist. XV (2025)(zoom) Bill Leary, Director Dist. V, (2026)
- John Swearingen, Secretary Dist. VII, (2024) James McFarland, Director Dist. III, (2024)
- Florence McConnell, Director Dist. XIII, (2026),

Directors Absent: Marty Schwager, VP Dist. X, (2024)

Staff Present:

- Jeroen Wright, Director of Mutual Operations
- 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: golf cart charging, MOD requirements for contractor bids.

Approval of Meeting Minutes

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

- a) Regular Board Meeting Minutes August 14th, 2023
- b) Executive Meeting Minutes..... August 14th, 2023
- c) Executive Meeting Minutes..... August 16th, 2023

Tom Lauck made a motion and Jim McFarland seconded to approve the minutes to the aforementioned Board meetings.

Moved, Seconded, Carried 8-0

President’s Report

President Lauck gave the following report:

Property Insurance update and amendments to the CC&R's for insurance coverage.

GRF updated estimate for premium increases from 30-50% to 35-55%, with likely premium at the high



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end of the estimate.

The town hall meeting regarding insurance took place on August 30th. A video of the presentation and questions will be available on the Rossmoor Channel 28 on the 7th of September.

Insurance Task Force and GRF are looking at reduced coverage for the property in Rossmoor less than the 100% replacement cost coverage stated in most mutuals' CC&R's. CC&R revisions must be approved by a voting before the new insurance starts on January 1, 2024.

Model language for the insurance provisions in the CC&R's will be distributed at the Insurance Task force meeting on September 7th.

Overview of the budget schedule and process for mutuals and GRF

The GRF budget is done and has been forwarded to Jeff Matheson, General Manager for GRF, and the GRF Board, for final approval. GRF increase currently at 3% for 2024. GRF portion of the monthly coupon currently at \$329.92 in 2023. 3% increase would be approximately \$9.90, which does not include the increase in property insurance.

GRF will start meeting with mutuals about their budgets in September and October, with target to finalize all budgets by the end of October.

Overview of the annual tree management program

John Tawaststjerna presented slides of ongoing tree management in Rossmoor. He stated that every entry in Rossmoor has a tree walk-thru every year, with an arborist. The top priority for tree pruning is safety. Pruning is also done for providing clearance from buildings and structures, clearance from roads, and to reduce fire danger. Secondary priorities for pruning are the health of the tree and aesthetics, as the budget permits.

Tree removal requires a permit from the City of Walnut Creek. The cost is \$85 to remove 4 trees maximum. If a tree removal is denied, Rossmoor can submit an appeal.

Problem trees include the Colorado Blue Spruce, the Monterey Pine, and the Eucalyptus Blue Gum. If these trees have any issues Rossmoor and the City usually recommend removal.

Mutual presidents' discussion

Mutual presidents shared questions about the success of enforcement assessments, minimum balances in operating and reserve accounts, and moving money into interest-earning sweep accounts which provide better returns than checking accounts. We are fortunate in the Third Walnut Creek Mutual that



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our treasurer and finance committee are on top of all these issues. A question was also raised about car and golf cart charging in carports where the mutual pays for electricity. This question was referred to our EV charging committee.

Secretary's Report

No report was given.

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 that the Firewise Program is going well. He recently met with Con-Fire and began working on the site assessment and the three-year plan. He plans to have certifications starting early 2024. The first meeting will be in September.

There was a recent small grass fire above Rockledge that was quickly taken care of.

Wright announced that it is anticipated insurance will increase approximately 50%. In order to receive a 50% increase (and not higher) will require a reduction in the overall coverage.

Currently, property coverage is not at full valuation, Rossmoor has approximately \$1.4B of coverage with an evaluation of \$1.8B. Staff is looking to reduce the property coverage down to \$750M-\$900M to allow for a 50%. If the property coverage were to continue as it is to date, the increase would go up to 70%. Therefore, the CC&Rs Property Coverage language will need to be revised.

Wright informed the Mutual that there is an evacuation plan in place. Information on the plan can be found in the brochure Resident's Guide to Wildfire Preparedness and Evacuation – How to get ready and stay informed. Brochures were mailed to all members and are also kept on a table in the Administration area at the Gateway Clubhouse.



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Finance Committee Meeting

Mike Abell gave the following report:

Finance Committee Meeting Recap

Topics:

- Insurance concerns
- Budget / Helsing / rehab projections
- Delinquencies
- Other financial matters

In attendance:

David Jennings
Roxanne Stallings
Anne Daily
Patty Tanner
Florence McConnell
Mike Abell

Next scheduled meeting September 25, 2023

Agreed to have an interim meeting once rehab data becomes available.

Building and Maintenance Committee

Nan Warren submitted the following report:

The Building Maintenance Committee met on 17 August. We discussed hard surface flooring in second and third floor units. Bill Parsons joined the meeting and had previously send some material dealing with the issue. The problem, he noted, was that our buildings were old, and that the insulation between the floors was not up to current standards. While there are new products to be had, there has as yet been no way to test whether those products will work in older buildings.

It was noted that Mutual 70 had allowed some hardwood floor installations on second floor units; their buildings were coated with stucco, which would not be applicable to all the buildings in Third Mutual, but would be applicable for some.



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The committee decided to get in touch with M70 and ask them for contact information for the five residents who had installed hard surface flooring. Nan will write up a set of questions and pass out the contact information – one to each member. Once the answers are assembled, the committee will consider next steps, which are likely to include a request to the board to pay for professional audio engineering testing to determine the noise level in non-stucco buildings.

Landscape Committee

Jerri McNair gave the following report:

Our next landscape reps meeting will be held on Wednesday, September 27th at 10am at Peacock. Please note this is an hour later than we have had our previous meetings.

At our landscape reps' meetings on July 26, we discussed some of the work being done in our Projects. One of the lawn conversions which we didn't cover completely was initiated in January and installed last April in Joanie Eddahl's Project on Stanley Dollar E6. Joanie worked with John Tawaststjerna and any neighbors who wished to be involved. Plant choices were considered by everyone with deer and pest resistance as well as low water use per WUCOLS plants being chosen. All financial costs were approved

by the Mutual Director. This was a rather small area which costs about \$4,300 and included costs of \$5,500 with the work done by Terra.

A number of landscape reps have inquired about how to handle re-planting of areas when we will need to modify where we place plants in order to meet the new Zone 0 fire requirements. My recommendation is to not plant any new plants within 5 feet of a building until the new rules are established. We do have plenty of other projects to do!

There has also been inquiries about the appropriate plants to use. I was informed by MOD that we will not be using Grevillea or Rosemary, since both of those are resinous and flammable. Because one of the basic requirements for low flammability is low growth (i.e. groundcovers), we will need to use more ground covers in the future. Three ground covers that have been used here to cover large hillside spaces are Baccharis P. "pigeon Point", Cotoneaster "Streibs Finding" and Cotoneaster "Queen of Carpets". These should be spaced 8' apart and at least 10' away paved areas. This looks quite far away when they are first planted but it prevents their over growing walkways or driveways which would require pruning (and they don't like that). Also, they will grow more (longer) on the down hillside so please account for that. For smaller areas, such as courtyards, Rubus calcynoides, Mahonia repens and vteucrium. "Prostratum" have been used successfully. These can grow in full sun but prefer some afternoon shade. Once established they can adapt to longer run times and more days between irrigations which is preferred by trees around them.



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At our April meeting, we talked about the following two possible projects that you can do in your area. Please let me know if you have attempted any projects like these and what worked and what didn't work. We would like to share these and also discuss them at our next meeting.

1. Using your maps of your project, please identify on the map at least 4 areas where fire safety can be improved by doing the following:
 - Trees need to be limbed up to 6-8' to prevent fire climbing into the tree crowns.
 - Large sheared shrubs or small trees such as cypress are directly against a building and should be removed.
2. Using the maps of your project, please identify on the map at least one area where water conservation can be improved. Water conservation can be improved by adding mulch, removing plants that are blocking sprinkler heads and changing to plants that use less water and by replacing lawn.

In the area where I live, we have a good success in removing plants blocking spray heads, which has resulted in much less runoff down the street and was an easy task to accomplish.

In regard to our Fire Priorities and keeping with our learning about the new zone 0 fire

regulations, I am including this link to a story about the home that survived the fire in Lahaina sent to me by our TWCM Director, Mike Abell.

<https://www.civilbeat.org/2023/08/what-saved-the-miracle-house-in-lahaina/>

Look forward to hearing about your landscaping projects are our next meeting.

Governing Documents Committee

Bill Leary reported on the following:

The committee met on August 23rd to discuss draft language of batteries. John Rice is assisting with the draft language. Florence has also agreed to meet with John and others to get this project going. California has not mandated that Mutual Boards regulate battery installation.

The committee discussed being more proactive in reviewing Mutuals governing documents. The committee plans to review different chapters to make the language clearer and discuss what changes need to be made.

The most immediate change is in regard to insurance changes.



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Alteration Permit Application Review

No report presented.

Communication Committee

No report presented.

Emergency Preparedness Committee

Fran Gibson provided the following report:



**Report for Third Mutual Board Meeting
September 11, 2023**

Third Mutual Emergency Preparedness Committee by Chairwoman Fran Gibson

My report today discusses newly introduced federal legislation HR-3777 known as the Federal Disaster Assistance Fairness Act — it was introduced in the House of Representatives this past May to make certain all American “shared interest communities” (co-ops, condos and other HOA configurations) can now qualify for relief under FEMA’s “Individuals and Households Program” (IHP).

HR 3777 will provide response and recovery funds for (1) repairs to essential common elements (roofs, exterior walls, heating and cooling equipment, elevators, stairwells, utility accesses, plumbing and electrical equipment) and (2) establishing HOA communities as fully eligible for FEMA funds to remove dangerous debris following a major disaster.

FEMA’s Individuals and Households Program could include funds for temporary housing, repairs or replacement of impacted homes as well as hazard materials mitigation.

To the surprise and frustration of many Rossmoorian residents, FEMA assistance does not currently include our homes. Rossmoor HOA’s receive their funds through dues and assessments



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that we as members pay — just enough to cover operating expenses. Reserve funds are usually allocated for the cost of major repairs and replacements. Few HOA’s have enough monies set aside to cover damages from a major disaster. HR 3777 will fix this glaring and unfair gap.

Additionally, HR 3777 will allow for the quick removal of hazardous disaster debris — ensuring emergency and other essential vehicles can safely enter an impacted area to begin mitigation efforts. In 2017 the Congressional Research Service identified speedy removal of hazardous debris removal as one of the best assets toward full community recovery. This unhealthy debris often contains asbestos, lead, household chemicals and hazardous wastes that present special post-disaster health risks to vulnerable seniors.

A group of residents is working to develop a bill description, talking points and petitions for resident signatures. We will work closely with Congressman Mark DeSaulier to ensure our advocacy timing is best for phone calls, emails and gathering of petition signatures into his office. Disasters are “equal opportunity” events striking everyone in a region and HOA’s should not be excluded from FEMA funding for disaster recovery.

Old Business

- a) CC&R Revisions of Insurance Requirements..... Mr. Lauck

A discussion was held regarding the governing documents, in specific revisions to the CC&Rs in regard to insurance and rental restrictions.

New Business:

- a) Jim McFarland requests that accounting renew the P 49 Treasury Bill that is valued at \$300k maturing on September 19, 2023. A board resolution is made to renew the investment in another Treasury bill of 3 months term at \$300k.....Mr. Abell
Moved, Seconded, Carried 8-0

Announcements

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

Adjournment to Executive Session

There being no further business, the Regular Meeting of the Board was adjourned at 10:55am and the Board moved into executive session.



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Executive Session Summary

The Board met in executive session from 11:06 am to 12:16 pm and discussed the following:

1. Delinquent Accounts:
 - Write off – Account #3028
 - Write off - Account #8320
2. Disciplinary Hearings/Member Matters:
 - A hearing was scheduled for Account #18478 for violation of Nuisance.
 - The Board discussed the ongoing alteration issues between accounts #18674 & 13510.
3. Legal Issues:
 - CC&R revisions
 - IDR Updates

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