



Walnut Creek Mutual Thirthy-Nine

REGULAR MEETING MINUTES OF THE BOARD
TUESDAY, AUGUST 29TH, 2023, at 1:30PM
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD – WALNUT CREEK, CA 94595

Call to Order

President Wolfe called the meeting to order at 1:30 p.m.

Roll Call

Directors Present: Claire Wolfe, President
Victoria Haket, Vice President
Karen McEligot, Treasurer
Mike Dwyer, Secretary
Bill Claussen, Director at Large

Also Present:

Jeroen Wright, Director of Mutual Operations
John Tawaststjerna, Landscape Manager
Victoria Thomas, Board Services Coordinator.

Approval of Minutes

1. Annual Meeting of the Members held on May 24th, 2023.
2. Organizational Meeting of the Board held on May 24th, 2023.

A motion was made to approve the aforementioned meeting minutes.

Moved, Seconded, Carried 5-0

Residents' Forum

A Resident's Forum was held for comments and questions from the membership. Comments included rental policy, SB721, recycling, meeting minutes.

A motion was made to distribute draft minutes to the Board to approve and then post and distribute to members before the next Board meeting.

Moved, Seconded, Carried 5-0

Committee Reports

1. **Landscape Committee: Pam Dieckman**
Pam Dickman provided the following report:

Good afternoon,

I am happy to report the landscape committee has been working throughout the summer months

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even though we do not plant during this time. We stay busy responding to resident's requests for removing dead plants, adding cobble borders, checking irrigation, and planning for new shrubs and trees to be planted in the fall and winter months.

In July we had our annual "tree walk" with John T and Brian from Warners. On this walk we point out residents' concerns about getting trees pruned. John and Brian look for trees that are not healthy and pose possible risks to property. When this information is gathered, John applies to the City of Walnut Creek for approval for these trees to be removed.

Brian presents the Mutual with his quote for continued tree maintenance and removal of small volunteers, such as privet and pine.

Another important job we accomplished was identifying and mapping the junipers growing in our Mutual. The need remains for us to reduce and remove these shrubs as they are known to be a wildfire fuel.

With the help of concerned residents we are continuing to reduce the junipers without stripping bare an area of land.

By doing this we keep in place a lively and appreciated quail and bird population.

We also achieve stability to the hillsides. An example of this approach can be seen in Entry 9, by the stairway. (Photos 0744 and 0747 attached)



We have added a bench and will be planting a garden area with pollinating plants and other drought and deer resistant shrubs.



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Another fuel reduction task we are addressing is to bring down overgrown hedges and removing dying and dried rosemary.

We accomplish these goals with the help and hard work of Terra Landscaping and MOD. Thanks to Kevin, Eddy, & Trini.

I want to thank the members of the landscape committee who volunteer their time to help Mutual 39's landscape continue to improve and bring joy to us all.

Special thanks to Denise, who demonstrates her commitment without being on the "committee." Be sure to look for our meeting notices published in the Rossmoor paper.

These monthly meetings are open to all.

Thanks for your support,
Pam Dieckman

2. **Governing Documents Committee: John Rice**

See report at the end of minutes.

3. **Budget and Finance – Karen McEligot**

Karen McEligot provided the following report:

At the last Board meeting on May 24th, 2023, we did not approve the first quarter financial reports for 2023. We had discovered an error and asked the accounting department for a correction. This correction was done thanks to Tom Hand and his staff and a restatement of the March 2023 statements was done. Since this is M39's fiscal year end it was important that it be done at this time.

I would like to make a motion that we accept the March 2023 financial statements for M39 as corrected and resubmitted.

Moved, Seconded, Carried 5-0

The second quarter financial statements have been reviewed and appear to be in good order. I would like to make a motion to accept these financial statements as submitted.

4. **Communications Committee: Mike Dwyer**

No report was given.

5. **Recycling Committee: Victoria Haket**

Victoria Haket gave the following report:



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The compost bins are scheduled to be cleaned 3 months during the summer. On July 25th the compost cans were cleaned by Nice Cans and will also be cleaned in August & September. Recycling newsletter went out on June 20th with 68% open rate. The next newsletter will go out in September. If you are not receiving a quarterly newsletter, contact Victoria Haket, 650-430-1150, with your email address.

The current newsletter covered:

- Compost cleaning
- Reducing the use of single use plastic at the farmer's market
- Bringing your own reusable utensils to the food trucks.
- Summer tips for composting.
- How to practice a Plastic Free July.

Entry 5 continues to have difficulty following trash protocol. Large boxes have been found on the ground of the trash enclosure. Plastic bags are found in the compost and neighbors are cleaning out their garages and dumping large household items in the landfill. Neighbors are asking to change out their current landfill container for a large trash bin.

On Tuesday 8/15 I walked entry 5 educating the neighbors and answering questions on composting and trash protocol. I will check back with the neighbors to see if this helps before ordering a larger landfill.

6. Building Maintenance/Alterations Committee: John Rice:
See report at the end of minutes.

Presidents Report

President Wolfe gave the following report:

My report is short because the real work of the Mutual is at the Committee level and you will be hearing from all of our amazing volunteer Committee Chairs shortly.

I hope you truly appreciate the quality and quantity of work each committee head and committee member does to make Mutual 39 so special. I recently was invited to present at the Marketing Meeting of realtors who sell in Rossmoor. It was very gratifying to hear people whose livelihoods depend on quality real estate tell me that Mutual 39 enjoys an excellent reputation with this community as the Mutual that tries to live up to the ideal of "Peace in the Valley."

I don't mean to imply that we don't have our share of problems! What I think we have created is an atmosphere of trust and action. Our finances continue to be solid. We have a plan for upkeep of the mutual's buildings, roads and landscaping. We continue to do things to mitigate future fires. What we need each member to do is to be very careful in your home, especially in the kitchen, to avoid an



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accidental fire. We cannot control all the things going on in the world that raise insurance rates...hurricanes, wildfires, etc.... but being alert at home and and when doing things in Rossmoor can be very important for our insurance rates as there is a component that reflects the length of time we go without a fire. Mike will talk more about the insurance issues later in the meeting.

I am pleased to report that of the two liens that were placed on two different manors, one has been resolved with the owner reimbursing the Mutual for work done on that owner's behalf to a neighbor's manor that had been damaged. We are hopeful that the second lien will be addressed in the next few months.

The following is a report submitted by Mike Dwyer:

July 19, 2023

To: Claire Wolfe

RE: July 14th Insurance Meeting with Gallagher and Mutuals

The meeting consisted of two major issues for the GRF Master Policy for Rossmoor. The first is lack of global capacity to provide 100% limits to replacement cost value.

Currently, Gallagher has not been able to find more that \$1.47 Billion in total limits. It was noted that Davis Sterling does NOT require 100% insurance to value because it adds language "if available". This allows other options to be considered. This led to a discussion of our potential "comfort zone" for changes. Some ideas mentioned were:

- Change coverage from "walls in" to "walls out". This would have to be done on all Mutual's CC&Rs. It would also force most residents to increase their building coverage substantially.
- Reduce the master policy limits to \$1 Billion with the knowledge that we will be knowingly under insuring 100% of the total limits at risk.
- We were shown "probable maximum loss modeling charts" arranged by Gallagher with 3rd party actuaries. The maximum PML, probably maximum loss, for the next 1,000 years would likely only be 62%. And the chance of that occurring was infinitesimal. There was also a brief discussion about whether or not Lenders would not lend to homeowners if the Master Policy was not up to 100%.
- It was also noted that GRF, and its Mutuals do not subrogate against residents who cause significant damage to property in the valley. This would have to change to reduce the losses to the Master Policy.
- It was suggested that we could look into separating the insurance between condos and coops on different policies/programs.



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- There was also discussion about whether or not the Mutuals should assess members for Uninsured Losses.
- Then we were advised that we are likely looking at a 25% to 50% rate increase on upcoming renewals in the near future. This is speculation due to conditions in the insurance marketplace, but only estimates as Gallagher has not gone out to bid for Rossmoor yet.
- We also discussed loss prevention improvements like; fire breaks in the attics and walls. Also, we briefly discussed the idea of all Mutuals standardizing rebuilding requirements, which might have the effect of making the cost to rebuild lower.

It was acknowledged that with the size of the potential coupon increase expected due to insurance costs would have an adverse affect on many Rossmoor residents, especially those on fixed income. This raised concerns that increasing the resident's burden of insurance for significantly higher limits, while simultaneously increasing the cost of insurance would not be well received.

Ultimately the future cost of insuring Rossmoor is pretty bleak. With lack of interest by the insurance industry, increasing costs to rebuild, and the pressure for rate increases in property insurance across the board, it appears that we will have to get very creative in our solution to this ongoing problem.

New Business:

No new business.

Manager's Report – Jeroen Wright

Jeroen reported that Tom Hand and his team are working diligently to provide financial reports on time. Rossmoor is positioned to be Fire Wise certified in 2024. Budget season has begun in Rossmoor, M39 pre-budget planning will begin in January.

Announcements

The next Board Meeting is scheduled for Tuesday, November 21st, 2023, at 1pm, in the Board Room at Gateway.

Adjournment to Executive Session

President Wolfe adjourned the meeting at 3:12 p.m.

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
Mutual 39