



Walnut Creek Mutual No. Thirty-Nine

REGULAR MEETING MINUTES OF THE BOARD
TUESDAY, NOVEMBER 19th, 2024, at 1:00PM
BOARD ROOM – GATEWAY
1001 GOLDEN RAIN RD – WALNUT CREEK, CA 94595

Call to Order

President Haket called the meeting to order at 1:00 p.m.

Roll Call

Directors Present:

Victoria Haket – President
Bill Claussen – Vice President
Karen McEligot - Treasurer
Jennifer Mu – Secretary
Terry Gordon – Director at Large

MOD Staff:

Jeroen Wright, Director of Mutual Operations
Clayton Clark, Sr. Building Maintenance Manager
John Tawaststjerna, Landscape Manager
Lucy Limon, Board Services Coordinator

Approval of Minutes

- Annual Meeting Minutes of August 20th, 2024

Bill Claussen made a motion, seconded by Karen McEligot, 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 meeting minutes, governing documents, guest parking, pets without leashes, storm drain, entry 9 renovation status, watering throughout the Mutual, and entry 12 dead trees.

Committee Reports

Landscape Committee: Olga Gordon

Olga Gordon submitted the following report:

Our MUTUAL 39 FALL MOD DAYS are from November 18th to the 21st. With the help and guidance of our Landscape Manager, John Tawaststjerna, we have come up with a plan to rehab the area behind 2666 Saklan Indian Drive. The poorly performing lawn will be removed, a DG pathway will be installed, and several drought tolerant shrubs will be planted. In addition the area at the far end of the lower level of Entry 12 will be landscaped using drought tolerant shrubs and Noya cobble.



Walnut Creek Mutual No. Thirty-Nine

Terra Landscaping has been removing junipers on the slope across from 2600-2604 Saklan Indian Drive. Additional junipers have been removed from 2666 and a redbud tree will be planted in the area.

Our annual Mutual 39 tree walk with John Tawaststjerna and Ed Waraner of Waraner Tree Experts took place on September 26th. Recommendations were made to prune, remove deadwood and remove dead or dying trees. Shortly afterwards the work was carried out by Waraner.

Unfortunately, a number of purple plum trees that were planted last winter have suffered because of an apparent decrease in the watering. I called in a work order to check on the watering and adjustments were made, but unfortunately we appear to have lost some of those trees.

PLEASE remember when you are out and about and notice a situation of concern, a work order can be requested by any resident. The number to call is (925) 988-7650 for Building, Landscape, and Pest Control. Requests can also be emailed to workorder@rossmoor.com. Don't wait for someone else to call...the staff are ready to hear your concerns and direct your request to the right department.

I would like to thank Pamela Dieckman and Ron Goldberg for stepping in and helping while I have been incapacitated.

In addition I would like to thank the other members of our dedicated landscape committee for their involvement.

Governing Documents Committee: John Rice

Mr. Rice reminded the Board of the upcoming deadline to comply with the Corporate Transparency Act. He proposed to have a meeting with MOD staff to discuss the 4041 documents and database.

Budget and Finance – Karen McEligot

Karen McEligot provided the following report:

1. Update on the investment of M39 Reserve Funds. At our last board meeting in August I received approval to purchase investments for our reserve funds.



Walnut Creek Mutual No. Thirty-Nine

At the time we had two CD's maturing. In August I worked with Bud Baxter from accounting to process the purchase of three T-Bills with different maturities. With several attempts and much frustration on October 16 Bud was successful in the purchase of two T-Bills for one year and two year maturities but not the third, which was to be a six month maturity. The problem is with City Bank and Bud is working on this.

2. Last board meeting we held off on signing our three year renewal contract with our reserve study vendor Helsing. This was my request because I had some questions about the process and content of this report. The Helsing report projects necessary reserve funding going out 30 years to meet M39's needs for repairs and maintenance of our buildings, landscape and roadways. With Clayton's help and presentation handouts from a Helsing representative, I now feel comfortable with continuing with Helsing providing our reserve study. This information was shared with some of the members of the finance committee.

I would like to make a motion to approve the Helsing contract covering our reserve funding for the next three years.

Karen McEligot made a motion, Jennifer Mu seconded to approve the Helsing contract covering our reserve funding for the next three years.

Moved, Seconded, Carried 5-0

3. We have completed the first half of our fiscal year as of the end of September. Our September combined operating and reserve cash and investments are at \$1,620,000. Our expenses are under budget for this period but we have some large expenses expected in the next few months such as building rehab, asphalt renewal and tree maintenance that should bring us close to our annual budget targets.

I would like to make a motion to accept the financial statements for July, August, and September 2024 as submitted.

Karen McEligot made a motion, seconded by Bill Claussen to certify compliance with civil code 5500 for the July, August, and September 2024 financials.

Moved, Seconded, Carried 5-0

4. The up-coming budget process for fiscal year 2025/26 for M39 starts in January. Other mutuals are working on their budgets now and it appears that our insurance expense is expected to increase again. We won't know the full impact of that increase until the end of December. So my expectation is that our coupon will again see an increase due to insurance expense. I'm also planning on paying close attention to our reserve funding. We have roofs that will need attention in four to five years so I would like to make sure



Walnut Creek Mutual No. Thirty-Nine
that we are adequately funded for these future expenses.

Communications Committee: Jennifer Mu

No report.

Recycling Committee: Victoria Haket

No report.

Building Maintenance/Alterations: Jennifer Mu

Jennifer Mu submitted the following report:

Alterations

Hardwood floor in upstairs units –

M39 rules requires that only carpets can be installed in upstairs units, except for entryway, bath and kitchen. However, with advancements in flooring technology and materials, we have left open the possibility for approval on a case-by-case basis. Any request for hard surface floors in upstairs units requires approval from the full board.

During the final inspection of a kitchen/bath remodel in an upstairs unit, the MOD inspector observed the hardwood flooring throughout the unit. Upon reviewing the unit's alteration history, he discovered a permit application from 1993 for a large-scale remodel, which included a request to install hardwood flooring. This request was denied. It is assumed that the same owner installed the wood floor in spite of the prior denial.

Under M39's alteration rules, when an unauthorized alteration is identified, the owner must apply for a permit. If the permit is denied, the unauthorized alteration must be removed.

Given that the hardwood floor has been in place for 30 years, and the Board has not received any complaints from the neighbor's downstairs, the committee recommends allowing the hardwood floor to remain until:

1. When the unit is being sold,
2. When the owner decides to replace the floor, or
3. When the Board receives formal complaints from the neighbors downstairs.

At such a time, the hardwood floor must be replaced with carpet or other material approved by the Board.

Building Maintenance

1. Entry 5 Condensate Line Pilot Program:

It took six months for the contractor to complete flushing the lines and install exit point boxes for all 10 units across two building. The delay was primarily due to the coordination required to gain access into each unit. Aside from one issue with a failed sump pump (which is the owner's responsibility), the project proceeded without any major problems.



Walnut Creek Mutual No. Thirty-Nine

We recommend proceeding with locating the exit points and installing boxes without the need to flush the lines. This will streamline the process and reduce the time spent coordinating with unit owners.

Victoria Haket made a motion, and Karen McEligot seconded to proceed with the condensate line project without flushing.

Moved, Seconded, Carried 5-0

2. Monthly Inspections of Fire Extinguishers:

In compliance with the new fire code, HOAs are required to have their fire extinguishers inspected monthly. The Mutual has the option to hire outside contractors or MOD to perform the inspection, or have volunteers do it.

MOD has provided a quote of \$6.50 per fire extinguisher per month. There are 40 extinguishers in M39. The yearly cost will be \$3,120, or \$24 per unit per year.

We requested volunteers for this task in the Mutual's September/October newsletter.

Victoria Haket made a motion, Karen McEligot seconded to appoint Terry Gordon as the chair of the Fire Extinguisher committee.

Moved, Seconded, Carried 5-0

3. Maintenance and Repair Responsibilities:

There have been several instances where determining whether a repair is the responsibility of the Mutual or the unit owner has proven difficult. In particular, the sewer lines and some condensate lines are shared, so it's often not clear which unit may be responsible for the problem.

We recommend that the Governing Documents and Building Maintenance committees work jointly to review the guidelines in RR #48 and determine if any revisions and updates are needed to clarify the responsibilities. Also, continued education for owners and residents is essential to prevent misunderstandings.

Presidents Report

No report was given.

Old Business:

- a. Smoking Ordinance: No update.
- b. Fire Extinguisher Inspection: No update.
- c. Entry 7/8 Guest Parking: No update.

New Business:

- a. Social Committee Discussion:
Victoria Haket made a motion, Bill Claussen seconded to appoint a Social Committee.



Walnut Creek Mutual No. Thirty-Nine
Moved, Seconded, Carried 5-0

MOD Staff Reports

- a. Directors Report – Jeroen Wright

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

Mr. Wright discussed a spreadsheet of motions and action items from Board meetings that will soon be available on a ShareDrive. This will allow the business managers to track their commitments.

The FireWise task force has applied for the 2024-25 certification for FireWise recognition. The 2024 volunteer hours commitment has been met and it is expected we will be recertified. On January 14, 2025, from 2:00 pm-4:00 pm there will be another FireWise Town Hall at the Event Center, Everyone is encouraged to attend so that Rossmoor may continue to record volunteer hours. This Town Hall will be announced in the Rossmoor News with more details.

- b. CFO Report – Todd Arterburn: No report.

Announcements

The next Board Meeting is scheduled for Tuesday, February 18th, 2025, at 1pm, in the Board Room at the Gateway Complex.

Adjournment

President Haket adjourned the meeting at 2:52 p.m.

Executive Session Summary:

The Board met in Executive Session from 2:10 p.m. to 3:06 p.m. The following topics were discussed:

1. Member Matters: Plumbing
2. Member Matters: Alteration

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
Mutual 39**