

MINUTES

FIRST WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS FRIDAY, JULY 23, 2021 AT 10:00 A.M. DONNER ROOM – EVENT CENTER

President John Moe called to order the regular meeting of the Board of Directors of First Walnut Creek Mutual on Friday, July 23, 2021 at 10:00 a.m.

PRESENT: John Moe, President, District 3
 Vacant, 1st Vice President, District 1
 Gerald Priebat, 2nd Vice President, District 2
 Pat Donahue, Treasurer, District 4
 Peggy Kaiser, Secretary, District 5

EXCUSED: None

Staff was represented by Paul Donner, Mutual Operations Director; Doug Hughs, Building Maintenance Manager; and Anne Paone, Administrative Secretary.
Joel Lesser, Chief Financial Officer - Excused
Rebecca Pollon, Landscape Manager – Excused

Ms. Ward arrived later in the meeting as requested by the Board to address the rental policy.

Mr. Moe welcomed 27 residents in attendance.

APPROVAL OF THE CONSENT CALENDAR

The consent calendar consisted of:

June 25, 2021 Regular Session Board Meeting
May 11, 2021 Special Session
June 25 and July 1, 2021 Executive Session Meeting

Certify compliance with Civil Code #5500.

Mr. Priebat moved to approve the consent calendar as presented. Ms. Donahue seconded and the motion carried without dissent.

APPOINTMENT TO VACANCY

Mr. Moe moved to appoint Jean Autrey to fill the vacancy left by the resignation of Tom Hansen for District 1. Mr. Priebat seconded and the motion carried without dissent.

RESIDENTS' FORUM

Resident would like the Board to move forward with the solar initiative.
Resident would like the Board to increase the number of Directors on the Board.
Resident would like the feasibility study done for the solar.

Resident supported solar study.

Resident would like feasibility study done and to have the electrical wiring redone, especially in the carports.

Resident reported landscaping pulled out plants about 2 years ago. She sent a letter to Ms. Pollon to please replant. She would also like solar.

Resident supports solar and the feasibility study.

Resident also supports solar and the feasibility study.

Resident sent a draft planning charter for the Board to consider. MOD will be starting the budget planning for 2022 budget.

Resident discussed minutes. Would like the Board increased.

LANDSCAPE REPORT

Mr. Donner reported for Ms. Pollon. EBMUD has asked for a 10% voluntary reduction in water usage. We are already doing that. They are watering and keeping plants alive. We are doing lawn reductions, but will keep some of them.

LANDSCAPE COMMITTEE REPORT

Ms. Crinion reported there was no meeting this month. The next meeting will be on August 6th at the Redwood Grove at 11 A.M.

TREASURER'S REPORT

Ms. Donahue reported the budget looks good. Building Maintenance and Public Works are over budget. There have been plumbing issues and broken water mains. Utilities is over budget, due to water usage and Professional Services is over budget. She is following up on delinquencies.

Mr. Donner reported that plumbing is an issue, it can be addressed when they are preparing the 2022 budget. Working capital is being increased. The insurance deductible is \$250,000, which is an increase from \$100,000. This is due to the fires. The Mutual that has an event pays the first \$10,000, the balance is shared with all of the Mutuals on a per door basis.

FWCM pays approximately \$75,000 including the \$10,000 for the last event.

BUDGET & FINANCE COMMITTEE

Ms. Autry reported the following:

1. We reviewed the June financials. There were some questions have now been answered. Our portion of the insurance deductible from the most recent fire is estimated to be about \$73,000 however since insurance is running under budget, we may be able to absorb it. Water was overbudget \$24,000 in June. Given the drought, we recommend that the board restrict water use where possible (car washing, hosing out car ports, etc.)
2. We received a brief report on past-due accounts receivable. The board continues to take action on the past-due items and progress is being made.

3. Correct trash handling continues to be a problem. We recommend that at the time of inspection, MOD post a notice on the inside of the front door of a unit that is changing hands. Peggy Kaiser will draft a one page notice. This may be helpful especially to non- residents who don't know our rules.
4. We are still missing a budget & finance committee representative. If anyone is interested, please contact me at jaautrey@gmail.com and I'll make sure it gets to the right people.
5. Even though Doug Hughs has indicated that the main electrical panels are not a fire hazard and repairs can be done, the original manufacturer is no longer in business. The committee recommends that the \$5.6 million estimated cost of replacing them be added to the Replacement Reserve and that a replacement schedule be prepared. We further recommend that replacement of the old inside panels also be added to the reserve. That estimated cost is \$1.4 million since a number of them have been upgraded already. Residents who have concerns about electrical hookups in their unit should notify MOD at 988-7650.
6. The committee again recommends that a Long Term Planning Committee be established by the Board and that one member of the Budget & Finance committee be involved.

Next meeting is Friday, August 20th at 1:00 in Multi-Purpose Room #2. All residents are welcome to attend.

MUTUAL OPERATIONS REPORT

Mr. Donner reported MOD is officially in budget season. Jo Ann Cooper is building the budget templates. The first draft should be ready in September. There will be a 3.8% for wages. There were no increases last year. They look at rates for utilities. The Board will discuss reserve contributions.

Mr. Hughs reported as follows:

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CARPENTRY AND PAINT- Carpenters have been working on 1441 Oakmont Drive, entry 11 and 2549 Golden Rain Road, entry 18. They will then be moving onto 1457 Oakmont Drive and 2557 Golden Rain Road. Painters are currently at 2433 Golden Rain Road, entry 17.

ROOFING- Frank Fiala Roofing has completed seven of the eight roofs for this year. They are currently roofing 1216 Oakmont Drive, entry 1.

FIRE- The asbestos abatement company has completed their work this week. We will be meeting with the insurance adjusters and project manager next week to get updates on our future next steps to take.

ASPHALT WORK- Our asphalt replacement work will begin the week of August 3rd up at Golden Rain Road entries 3, 8 & 11. All affected residents will be notified in advance.

STOVE CONNECTIONS-Pure Electric has submitted a proposal to inspect oven and stove top connections as well as subpanels. The details of the work involved and the price breakdowns have been submitted to the Board. We would like to discuss this now to get feedback and direction from the Board on how to proceed next with this issue.

Mr. Donner reported that they Board should move quickly on the connections. Electrical connections, especially on old ovens need to be checked. The electrical panels should be checked, too. This would be a reserve expense. There is a line for appliance repair and maintenance.

Mr. Hughs reported about 28% have old stoves and old sub panels. The Mutual would be looking at about 450-500 units to inspect. It would cost about \$75,000-\$100,000 to inspect and rectify. The cost for a sub panel is about \$280 per panel.

Mr. Priebat agreed that it is urgent that the Mutual check the connections.

Mr. Hughs said they can focus on connections that are prior to 2000.

Mr. Priebat moved to authorize staff to have electrician look at the stove connections and the sub panels with a NTE of \$2000,000 to come from the reserve fund. Ms. Donahue seconded and the motion carried without dissent.

RECYCLE/COMPOSTING

Mr. Moe reported everything remains the same. He is still trying to come up with more solutions. He is also still pulling appliances from the trash.

SOLAR TECH COMMITTEE

Mr. Moderacki reported the following:

The 1st Mutual ad-hoc Solar Technology Committee met via Zoom on July 6 and July 20, 2021.

The Committee continues to unanimously recommend the Board approve the Engagement Letter with Table Rock and authorize a solar feasibility study.

In consideration of Jack Appleman's White Paper, it needs to be pointed out solar power is just one part of a comprehensive facilities and sustainability plan. There is no reason to hold up the proposed solar feasibility study while the rest of a comprehensive plan is developed.

The potential savings which could be realized for all mutual owners represents resources which will be needed in the future to address the mutual's other infrastructure needs, e.g. water and sewer utility replacements, electrical upgrades, electrical conversions from natural gas, etc.

It should be noted, PG&E recently announced a rate increase application of five percent (5%) per year for the years 2023-2026, resulting in an 18% overall increase over those years. This is on top of its eight percent (8%) increase this year. First Mutual would be able to stabilize its electric costs by implementing the proposed solar initiative.

The Committee meets every other week on Zoom. Its next meeting is August 3 at 1 p.m.

PRESIDENT'S REPORT

Mr. Moe reported the presidents will meet on Monday.

ORIENTATION – Gerald Priebat

Mr. Priebat reported there will be an orientation on August 10th in the Donner Room at 10

a.m.

UNFINISHED BUSINESS

Rental Policy – Mr. Moe reported there is a new rental policy/law in effect. The Mutual cannot unreasonably restrict or prohibit rental in the community. FWCM has no rental cap and the attorney has recommended that FWCM have one. It cannot be less than 25%. The one-year duration of the life of ownership is no longer legal. There should be a minimum lease term. Ste statute says 31 days is reasonable. The Mutual can have a minimum lease of a 1-year term. The Board can choose whatever timeframe they prefer, 31 days, 3 months, -6 months, etc. It would be easier for the attorney to do a new policy so there are no misunderstandings. The Mutual can have a 90-day rental for only once a year.

If a person is residing in the manor and rents it, it is considered a hosted rental. Rossmoor calls it having a roommate. Ms. Ward will send new policy to the Board. The Board will then pass it on to Chris Preminger. The Board asked Ms. Ward to move forward with drafting a new policy.

BBQ Policy – Mr. Priebat reported the policy is vague and limited. He would like the policy revised to mirror the California Fire Code. The Board could consider putting in concrete pads, so people can BBQ outside away from the buildings. Ms. Autrey suggested having Ms. Ward review the BBQ policy and write it to code. The Balconies policy should be revised, too. The Board will look at the fire code.

NEW BUSINESS

Irrigation – Mr. Donner reported that there is no contract yet, so he suggested the Board wait for Ms. Pollon to explain. It has to do with the controllers.

ANNOUNCEMENTS

Mr. Moe asked residents to not wash their cars in the Mutual due to the water shortage. He also asked that they do not wash out their carports.

The next regular Board meeting: Friday, August 27, 2021 at 10:00 a.m. Donner Room-Event Center

ADJOURNMENT

Having no further business, the meeting adjourned at 11:32 a.m.



Anne Paone, Assistant Secretary
First Walnut Creek Mutual

***The Board of Directors met in executive session on June 25, 2021 at 11:45 a.m. to discuss the following:

1. Member Matters – Landscaping, payments, neighbor dispute

Having no further business, the executive session adjourned at 1:32 p.m.

***The Board of Directors met in executive session on July 1, 2021 at 10:00 a.m. to discuss the following:

1. Interviews for vacancy on Board

Having no further business, the executive session adjourned at 11:20 a.m.