

BOARD OF DIRECTORS REGULAR MEETING

Thursday, November 21, 2024, at 10:00 a.m.

Meeting was Conducted In Person and Virtually

Peacock Hall – Gateway Clubhouse
1001 Golden Rain Road, Walnut Creek, CA 94595

MINUTES

1. **Call to Order**
President Bruce called the meeting to order at 10:01 a.m.
2. **Roll Call of Directors**
Lon Bruce – President
Michele Colucci – Vice President
Vona Scott – Treasurer
Jeanne Steidel – Secretary
Marv Ryken – Director
3. **Mutual Operations Staff**
Jeroen Wright – Mutual Operations Director
Todd Arterburn – Chief Financial Officer
Eric Howard – Building Maintenance Manger
John Tawaststjerna – Landscape Manager
Anna Rocha – Board Services Coordinator
4. **Approval of Minutes**
 - a. Regular Board Meeting Minutes – September 19, 2024
Amendment to the Roll Call – Loran Shlevin was in present.
Bruce motioned; Colucci Seconded – motion passes unanimously. (5-0)
 - b. Annual Board Meeting Minutes - October 15, 2024
Bruce motioned; Colucci seconded – there was no discussion; motion passes unanimously. (5-0)
 - c. Organizational Board Meeting Minutes – October 15, 2024
Bruce asked that under Appointments and Committee Chairs, that the Water Committee should be updated to the Landscape Committee.
Bruce motioned; Steidel seconded. Motion passes unanimously. (5-0)
 - d. Executive Session Board Meeting Minutes – October 22, 2024
No executive session on October 22, 2024.
 - e. Regular Board Meeting Minutes – November 7, 2024
Bruce Motioned; Colucci Seconded
No Discussion. Motion passes unanimously (5-0)

5. President's Report – Bruce

Bruce reminded the membership that MOD is the first call and/or email for owners needing assistance. If you can't get assistance, please reach out to the Board of Directors. The Board has been reorganized and each director will have a certain portfolio or area of responsibility.

The President will interface GRF, MOD Member Records, legal counsel and other board duties. The Vice President will interface with member issues, and problem solving and other Board duties. The Treasurer will interface with Todd Arterburn and Bud Baxter. Vona Scott is the main contact for all financial matters. The Secretary is responsible for all communications from the board to Newspaper. The Director at Large is the liaison for the new Infrastructure Committee.

On November 7, 2024, there was a 4 p.m. Board of Directors meeting. The board voted to end the second monthly meeting and will be replaced with five (5) social gatherings which will be held to welcome new members to Mutual Two and an opportunity to share idea and concerns with the Board. The new SWCM website is where residents can go to find all things SWCM. Public Service Announcements:

- Any person that rents their unit out must do so through Member Records and needs to be approved by the Board.
- Do not feed the animals.
- Committees need volunteers. Some will required special skill sets including insurance, Finance, executive experience in banking. The infrastructure committee will be looking for people with construction experience.

SWCM successfully closed a purchase which was done with financing. Bruce was able To speak with the Broker who did the loan. Bruce will make this information available With a flyer soon.

6. Treasurer's Report – *Scott/Arterburn*

October 31, 2024, Financials:
Operating Cash Fund – 3M
Reserves Fund – 3.5M
Investments for the Reserves – 2.1M

Scott reports that going into the 2025 year, the Mutual is in very good shape. In the month of October, the Mutual was over budget by \$70, 000. However, the Mutual is \$418,000 under budget for the year, which is great because there are few big projects that are on the table and are still being finished up and this money will allow that.

At the end of October, the Mutual had \$203,000 in delinquencies. 62% of those are 90 days or more in arrears. Scott will work with the Finance Committee, Board and Collections to regain those funds. The Board will work with those that are in arrears and layout payment plans. Scott will be posting her report and financial statements on the SWCM website for owners to view.

Chief Financial Officer Report – Todd Arterburn

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Arterburn reported that they are in the final stretch of getting NetSuite running at the beginning of January 1, 2025. This will be a new way of doing transactional business for the Mutuals. Phase one is still on track. A dedicated SharePoint drive will be implemented for all Mutuals where MOD can share files and reports with each Board of Directors. All the Mutuals financials, audits, tax returns and reports can be viewed on SharePoint. It should be up and running in two weeks. MOD is working on a fiscal calendar for finance of all events throughout the year and all the milestones that will be met each year. SharePoint will provide more robust security for sensitive financial information.

7. **Operations Manager's Report**– *Wright*

Wright reported that the Budget is now complete. Wright thank the current board and former board that worked really hard on it and to all the MOD staff. The 2025 Annual Budget has been mailed out. Wright reported on the “feeding of animals” and to be sure to pick up any leftover food that may be left out. Rodents will pick up the leftover food and eat it.

Wright reported that last Friday, there was a fire in First Walnut Creek Mutual. The Contra Costa Fire Department came out with six (6) trucks to control the fire which happened in the carport. The fire did not damage any interior to the units and was controlled and stopped at the carport. The fire is still under investigation. Firewise is doing well and strong. The committee has resubmitted for recognition for 2024-2025. At the last townhall that was done in June, the Contra Costa County Fire Protection District and Walnut Creek Police Department to discuss the process for a mandatory evacuation, those hours that were brought in for that town hall was enough to get the recognition for 2024-2025. Another town hall will be held on Tuesday, January 14, 2025, at 2:00 p.m. – 4:00 p.m. in the Tahoe Room at the Event Center. It will be similar to the last town hall. Residents will be able to attend via Zoom. There will be no waiting room or limit, so everyone can join. It will be posted on YouTube as well and those views will be counted towards volunteer hours.

8. **Building Maintenance Manager's Report** – *Howard*

Building Rehab Work - Our mutual 2 carpentry crew is working on various minor rehab projects throughout mutual 2 and the painters are on Entry 6 Singingwood.

Appliance/Water Heater Replacements -Appliance replacements for September Total \$1 ,429. Water heater replacements for September Total \$53,601

Water-Cooled Air-Conditioning Conversion - Freemans Heating and Air continues to convert 483 water-cooled A/Cs to air cooled units. They are currently working on 1128 Leisure Lane and have completed 305 installations as of November

2024 Roofing Program - State Roofing is currently working on re-roofing 3474 Tice Creek. This is the last of the 13 scheduled buildings to re-roof and they are scheduled to finish before the Thanksgiving Holiday.

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Roof and Gutter Cleaning - Roof and gutter cleaning are scheduled to begin at the end of this month. If you see any overflowing gutters or storm drains during the winter months, please call the work order desk at 925-988-7650.

1217 #5 Running Springs Fire Update - The contractor, Restoration Management has been selected to begin rebuilding of manor #5. The project managing agent "Pound Management" is currently processing the contract which is to be submitted to SWCM for signing. Once the rebuilding begins it is projected to take 4 months to complete.

1333 and 1349 Running Springs Foundation Repairs - The contractor Accustruct completed 90% of the work on stabilizing the foundation at 1349. The next phase is to begin assessing the repairs that will need to be done on the interior walls, doors and windows of the manors affected by the foundation stabilization. The foundation stabilization work on the neighboring building at 1333 Running springs has been scheduled to begin this week.

Entry 3 Canyonwood - Silicone Valley Paving has completed the concrete treatment on the soggy soil, installing a new underground drainage system and asphalt on Entry 3 Canyonwood.

PROPOSALS FOR APPROVAL

We have received proposals from 3 contractors to re-pipe the aging galvanized water lines at 3441 Tice Creek.

The low bidder on the project is Flowing Water and Drain and they would work in conjunction with Gauthiers construction on the put back work.

The approximate time needed to complete this project would be 4 weeks.

This project will be funded by Reserves

Marv Ryken made a motion to approve Flowing Water and Drain; Steidel Seconded.

Discussion: Five Star's bid was the highest out of all the bids. Anything that goes wrong on the job, they include in their bid. The only unforeseen issue that they may run into is that the water heater will be removed.

Motion passes unanimously. (5-0)

Gauthier's Proposal: To do all the dry wall putback work.
Contract Price - **\$41,976**

Total of the two proposals - **\$79,736.**

Ryken made a motion to approve Gauthier's for the drywall putback. Steidel seconded the motion.

Discussion: The board asked if there were comparisons to other vendors. Howard reported that the proposal was in the ballpark of other vendor proposals.

Motion passes unanimously. (5-0)

9. Landscape Manager's Report

- a. Landscape Maintenance Report
 - Overseeding of lawns completed

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- Clearing out of v-ditches in October
- Clearing out of drains weekly
- Clearing of sidewalks weekly

Proposals for Approval

Tice Creek Entry D Lawn Conversion

- o Terra - \$61,350.00 (One year warranty)
- o LiveBright - \$59,036.20 (90-day warranty)
- o Brightview - \$65,460.91 (90-day warranty)
- o MOD and Landscape Committee are recommending Terra for the work due to plant warranties
- o EBMUD Rebate estimated to be \$6,310.00

Colucci made a motion to approve Terra with a one-year warranty; Steidel seconded. Motion passes unanimously. (5-0)

10. Committee Reports

Water Conservation Report –

The Water Conservation committee has good news and not so good news this month. We have started the 2024 Rebate process with EBMUD are in the process of confirming the exact numbers of the a/c conversions for 2024. This year we are counting installations up until December and hope to have about 140 installed by then. EBMUD rebates us \$125 for each installation under a customized program that we negotiated in early 2023. Last year we received a rebate of \$18,500 which was credited to our EBMUD water bill. This year the rebate should be about \$17,500 depending on the exact number of a/c installations completed. This rebate program will continue next year until all the a/c replacements have been completed. The process involves water conservation committee members walking with the EBMUD water conservation representative to certify that they are completed. At the end of this year, we should have approximately 298 of the a/c units installed or about 38%.

Now on to the not so good news. Water usage for the most recent billing period from the month (17th of September to October 16) shows a sharp **increase** in water usage for that billing period compared to the same billing period in 2023. This overall increase in water usage is 14% for the month. Every one of our 11 meters except 1 showed a significant increase. This, we believe, was due to our unseasonal hot spell during that time and the need for more landscape water and the increased water still being used for those meters that still have water-cooled a/c usage. This is the first time that the water-cooled meters, that still have about 1/3 of the implementations to be finished did not rescue the entire mutual with their water usage savings. Compared to last year these 3 meters have **increases** for the September to October billing month of 24%, 13% and 43%. The bottom line is that the extremely hot weather at this time of the year did damage to our progress in decreasing our overall usage for the year compared to last year. In 2023 we were still partially in drought mode and in 2024 we have had to water more to save our plants. Fortunately, YTD to date, we are still slightly less than last year as a mutual. and overall, the water-cooled meters are at -6% usage and the other 8 meters are at +6% increase. In 2023 we were still in drought mode for part of the year. For a final positive note, when comparing our water usage in 2022 (prior to drought restrictions) YTD, to our usage in 2024, we have decreased our overall usage by 13%.

- c. **Trash Committee** – Kathleen thanked Marv for restarting the committee and a huge thanks to everyone keeping trash charges low. Between January and October, only 14 of the 85 enclosures experienced extra charges. So far, the extra charges only totaled \$502. This is \$287

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less than what was paid last year during this same time. The prices have increased on the 1 yarder and 2- yarder. This is \$12, 234 less than the total extra charges for 2021. The trash committee now has a web page which has links to poster, the manual for the trash enclosure volunteers and spreadsheets for the extra Republic Service charges from January 2021 through October 2024. The committee welcomes any comments for improvement. With Marv Ryken's help monitoring invoices, they were able to see that there were extra Charge for trash in other Mutuals.

d. Finance & Insurance Committee -

e. **Landscape Committee** - Thank the board for approving entry d. The committee thanked Jeanne for staying on as the liaison. The committee also thanked Vona for working on the landscape portion of the website.

f. **Epics Committee** – The EPICS committee which has been folded into the new Infrastructure committee. Marv Ryken will be heading the Infrastructure Committee.

g. **Welcome Committee** – Jeanne Steidel, liaison, filled in for the Chair. The committee is trying to get an updated list of new residents for Mutual 2 to help bring them on board. The revised meeting date has been turned into a new social meeting which will have themes. The purpose of the social events is to build community among residents. Owners can check the website for latest Welcome Committee information. Marv has provided a complete list of residents for social event check ins. Please make sure that the Mutual has the most up to date contact and email information.

h. **Technology Committee** – Liaison Michelle Colucci will be working with Dan Davis. They are looking for more people that have Market/Corporate experience and interviewing people.

i. **Alterations Committee** – Liaison Marv Ryken spoke for the Alterations Committee. **This committee is spelled out in the articles.** For the past year, the committee has not been regularly meeting and are hoping to resurrect this committee. They are looking for people with contracting or engineering experience to want to join. You can reach out to Marv Ryken if you want to join this committee.

j. **Contracts, Grants and Rebates Committee** – Vona Scott reported that this is a new committee and they are looking are volunteers as they currently do not have none. They are hoping this committee will review and negotiate contracts. The committee will also research contracts and do grant writing for grants that would help with the infrastructure needs. The members would research grant money for things like galvanized pipes where the Mutual wouldn't need to use the Mutua's money.

k. **Infrastructure** – Marv Ryken reported that they are working on upgrading the infrastructure committee.

11. Old Business

l. **Approve SWCM Walter Filtration System for Affected Members**

Bruce motioned, Ryken seconded.

Motion passes unanimously. (5-0)

m. **Tice Creek, Entry D Landscape Plan Review & Approve**

This was approved during the Landscape Report.

n. **4041 and Budget Booklet Mailing Discuss, Jeroen**

This was discussed during the Mutual Operation Manager's Report.

o. **2022 & 2023 Review Financial Finalization & Mailing Status**

This was discussed during the Mutual Operation's Report.

12. New Business

P. **Re-instating Guarantor Letter to Real Estate Transactions**

Guarantor signs a letter for those that do not meet financial requirement, like a co-write, that Fill responsibility of someone to take on that coupon for that manor.

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Bruce motioned to re-instate Guarantor Letter; Steidel seconded.

Motion passed unanimously. (5-0)

q. Committee Report Deadline

Bruce made a motion that committees take minutes of their committee meetings and send to the board in lieu of a report. These would go into the board meeting so that they know who is going to be making reports; seconded by Colucci.

Motion passes unanimously. (5-0)

r. Plastic Storage Bins in Parking Area

Ryken made a motion; Steidel seconded.

Discussion – an owner reported that there are chemicals stored in the bins and can be a Fire hazard. The motion was rescinded. This item will be tabled to work out more logistics.

s. Social Events in Lieu of the Old BOD Regular Meeting review & Approve

This was discussed during the Welcome Committee report.

13. Members' Forum –

Members were afforded the opportunity to express their concerns, make comments or have questions for the Board. Comments included:

Thanking the board for the action that they have taken. They have water filters that need to be changed one time a year and they are 8 months old and need to be changed soon. Another resident reported that they used to not like coming to board meetings, and now enjoys coming and hopes this is a new positive era for SWCM. The last owner reported information regarding ECHO and that there was a fabulous presentation. ECHO extended the membership for SWCM so there was almost two years included in the membership for the cost of one year. She wants to encourage the board to sign up for a new membership for next year.

14. Announcements – There being no further business, the board of Directors Regular Meeting was adjourned at 10:58 a.m.

Board Services Coordinator

I hereby certify that the foregoing is a true and correct copy of the minutes.

Anna Rocha