

## MINUTES

### SECOND WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS March 7, 2024, AT 4:00 P.M. ZOOM and Creekside Club Room

1. **CALL TO ORDER** - President Loran Shlevin called to order the regular meeting of the Board of Directors of Second Walnut Creek Mutual (SWCM) at 4:05 p.m.
2. **ROLL CALL**
  - A. Present: President Loran Shlevin, Vice President Jeanne Steidel, Secretary/Treasurer Marv Ryken, and Director Liz Bradner
  - B. Absent: None
  - C. Appoint New Board Member: President Shlevin made a motion to appoint Susan Davis to fill the vacant Director seat. Motion seconded by Director Ryken and unanimously approved.
  - D. Reorganize: Director Davis was appointed to the position of Board Secretary, removing this responsibility from Director Ryken and Director Davis was removed as Co-chairperson and made Director Liaison to the Documents Committee.
3. **AMENDMENTS** - Motion made by President Shlevin to amend the agenda to include a presentation on the passing of Bob Hass, application for solar permit, and Landscape Committee Report. Motion seconded by Director Steidel and unanimously approved.
4. **CONSENT CALENDAR** - Minutes of Board of Director's Meeting on February 15, 2024, motion to approve by President Shlevin, seconded by Director Ryken, and unanimously approved.
5. **TREASURER'S REPORT** – A summary of the January 31, 2024, financial report is in the following table:

| 1/31/2024 Report   | Operating | Property | Reserve  | Total     |
|--------------------|-----------|----------|----------|-----------|
| January Income     | \$1,357k  | \$548k   | \$291k   | \$2,196k  |
| Budget income      | \$1,331k  |          | \$277k   |           |
| January Expense    | \$1,157k  | \$621k   | \$155k   | \$1,932k  |
| Budget Expense     | \$1,296k  |          | \$321k   |           |
| January Difference | \$201k    | -\$73k   | \$136k   | \$264k    |
| Beginning Balance  | \$2,479k  | \$8,103k | \$5,282k | \$15,864k |
| Ending Balance     | \$2,681k  | \$8,029k | \$5,418k | \$16,128k |

From the table the financial status of SWCM is a green light since the Operating fund balance is about twice the monthly expense. The reserve fund study produced a \$6.782k requirement for 100% funding and the reserve fund balance is at approximately 80%. The final 2024 remaining insurance premium of \$3,693,359.22 has been paid from the operating fund. The retention amount was \$803,399.03 for a total 2024 premium of \$4,496,758.25. The property tax bill of \$2,897,304 is due on April 10, 2024 and money will need to be borrowed from the Reserve Fund to pay this bill.

The aged receivables at \$206,372.30 and the third-party ageing is \$78,168.07 for more than 90 days for a total of \$284,540.37 or to put in perspective, 17% of monthly income.

Some expense items from the January 31, 2024, finance report is:

|  |              |
|--|--------------|
| Smoke detector and battery replacement | \$1,640.04   |
| Gutter cleaning                        | \$14,880.24  |
| Light bulb and fixture replacement     | \$5,536.50   |
| Setup fee for January 2024             | \$8,221.06   |
| Total year setup fee for 2023          | \$126,322.06 |

6. **LANDSCAPE COMMITTEE REPORT** – Director Liz Bradner gave the report and stated that Terra was only spraying herbicide on Thursdays between 8am and 2pm and the only problem with the herbicide was when it was wet, and it only took 15 minutes to dry. Organic herbicides are not very effective and would cost \$60,000 additional per year. The Committee is not recommending changing to organic herbicides but will discuss it at their next meeting.
7. **NEW BUSINESS**
  - A. A motion to approve the alteration permit for a solar panel by Moe Virden was made by President Shlevin, seconded by Director Ryken, and unanimously approved.
  - B. Property Tax is due April 10, 2024 in the amount of \$2,897,304. To accomplish this, we will have to borrow this money from the reserves and establish a payback schedule at the next Board meeting.
8. **OLD BUSINESS** - Dan Davis demonstrated the SWCM website that he has developed. Susan Davis is also participating in the development.
9. **PRESIDENT'S REPORT** – In an effort to make First, Second, and Eighth Mutuals have the same financial requirements for a cash buyer of a SWCM manor, a reading of the proposed amendment to the SWCM bylaws was read. The simplified version is that the cash buyer must have an income of not less than two times the total coupon. A motion was made by President Shlevin to read the amendment for the 28-day comment period, seconded by Director Bradner, and unanimously approved.
10. **RESIDENTS' FORUM**
  - A. It was pointed out that due to the Firewise certificate rating, everyone's insurance premium may be reduced depending on the insurance company.
  - B. Due to excessive premium cost, we cannot get 100% insurance coverage, Mortgages are no longer being warranted by Fannie Mae and Freddie Mac. Therefore, the two companies we use (National Cooperative Bank and Plaza Mortgage) are no longer issuing mortgages on our co-ops. Any buyers will need to have all-cash unless the owner wishes to extend the loan personally. According to Mary Smartt, HUD has pulled out because Fannie Mae and Freddie Mac did so, and that we also will not be allowed to get Reverse Mortgages. There is a feeling that GRF should be responsible, and more effort should be put into getting 100% insurance coverage.
  - C. Lynn Carruthers talked about GRF Global Safety Study being done with Tom Cashion to analyze the safety of our streets and cost-effective solutions.

- D. Questions were asked about delinquencies. The effort to decrease delinquencies could reduce the 114 people owing money down to forty but MOD has refused to do what was requested by the SWCM Board of Directors. Also on the delinquency list are members that are owed money and some for many years. This problem has not been solved by MOD.
  - E. Concern about replacing the existing water heater with a tankless water heater to gain added space was asked. The member must pay all the cost and since this is an alteration, future water heater problems will be the member's responsibility.
  - F. Residences in 3441 Tice Creek DR E16B stated that their water is yellow in color, and they think that it is due to rusting galvanized water pipes. MOD has put in a water filter but refuses to replace it more than once a year. They currently use bottled water and have requested MOD to reimburse them \$600 per year for the bottled water but MOD has refused and has now given a schedule to replace the defective water pipes.
  - G. It was announced that the ECHO meeting last week and Adam Haney, CPA gave a great presentation. Next week they are doing one called, "Ask the Attorney" where HOA members will be allowed to ask questions of an attorney.
  - H. It was asked for members to attend GRF Safer Streets.
11. **ANNOUNCEMENTS** - The next monthly Board meeting is scheduled for March 21, 2024, at 10:00 a.m. at Peacock Hall.
12. **ADJOURNMENT** – The President adjourned the meeting at 6:14 PM

*Linda Schoeffner*

Assistant Secretary  
Second Walnut Creek Mutual