

MINUTES

SECOND WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, APRIL 21, 2022 AT 10:00 A.M. ZOOM and PEACOCK HALL

President Clay Dunning called to order the regular meeting of the Board of Directors of Second Walnut Creek Mutual at 10:00 a.m. on Thursday, April 21, 2022 via Zoom and Peacock Hall.

ROLL CALL: Present: Clay Dunning, President
Michael Stotter, Vice President
Liz Bradner, Treasurer
Brendan Schmidt, Secretary
Loran Shlevin, Director

Absent: None

Mutual Operations staff was represented by: John Tawaststjerna, Landscape Manager; Eric Howard, GRF Foreman; and Lucy Limon, Administrative Secretary.
Mark Marlatte, Building Maintenance Manager - Excused.
Paul Donner, Director of Mutual Operations - Excused
Joel Lesser, Chief Financial Officer - Excused

The consent calendar consisted of:

- a. Approval of Minutes: Regular Meeting: March 17, 2022
Special Meeting: February 10, 2022
Executive Meeting: March 31 and April 7, 2022

Mr. Stotter moved to approve the consent calendar as presented. Ms. Bradner seconded and the motion carried 4-1. (Shlevin)

MOD REPORTS

Building and Maintenance:

2022 PREVENTITIVE MAINTENANCE AND RESERVE PROJECTS

1. Carpentry and Painting Maintenance
 - Carpentry PM and Painting is on Leisure Lane entry 3 and 5.
2. Roofing Program
 - State Roofing Systems scheduling eight roofs.
3. Bridge and stair Replacements
 - None at this time.
4. Deck Coating
 - Scheduling as required in P.M. area and as needed.

5. Appliance Replacements
 - Appliance replacements for January are \$38,271.00.
6. Roof and Gutter Cleaning
 - Please call the order desk for roofs or downspouts that need to be cleaned.
7. Manor Lube
 - Manor Lube program has started.

LANDSCAPE

John Tawaststjerna gave his report as follows:

SWCM Landscape Report

MOD Landscaping Plan for March - June

1. Mulching approximately 500 yards in total
2. All the Tice Creek Entries will be completed
3. Entry AA to Entry 4 have been completed as of 4/15/22
 - A total of 200 yards has been spread so far
4. Estimated total cost of mulch =

\$25,000 MOD Landscaping Plan for July –

August

5. Phase II of Juniper Removals
6. Replanting of Phase I of Juniper Removals (Might be pushed back to fall depending on water restrictions)
7. Irrigation Projects

Landscape Maintenance from

Terra

8. All lawns have been fertilized
9. Lawns are currently being treated with a grub control product and pre-emergent weed control
10. Emphasis on adjusting tree stakes and ties this

month Future Landscape Plans

11. Below is the list of landscape rehabs we wish to complete by the end of this year:
 - 1349 Running Springs Road Entry 10
 - 1252 Singingwood Court #5 Entry 5
 - 1641 Canyonwood #4 Entry 11
 - 3341 Tice Creek Entry 12 B
 - 3341 Tice Creek Entry 16 B
12. Terra will provide proposals for all projects listed above

TREASURER'S REPORT – Joel Lesser/Liz Bradner

Ms. Bradner reported that the insurance was over budget by \$15,549. Delinquent letters that are sent to delinquent members are under legal review. There was a discussion that the Board did not have current financials and therefore did not know the actual amount in reserves given that insurance proceeds were withdrawn and it was not reported if that had been reimbursed.

Resales:

Ms. Bradner reported that the YTD resales through March totaled 30 and the median price was \$650,000.

COMMITTEE REPORTS

Landscape – Marilyn Schuyler

Ms. Schuyler presented a report as follows:

Ms. Schuyler welcomed John T. and has enjoyed working with him. She met with John and Paul Donner to review landscape plans and issues. It was a very productive meeting. She met after with John to meet with Terra and BrightView for some of the projects that are to happen in 2022. The committee created a checklist of what they see will be problem issues. They will be watching the entire zone with Terra to identify problem areas. Contact your landscape representative if you see a problem.

Trash – Kathleen Epperson, Chair

Our Trash Committee is now one year old! We started with three co-chairs, I am the remaining chair, but decisions are made by our steering committee of 9 volunteers which met 8 times this past year. Our first achievement was discovering billing mistakes which were costing Second Mutual an extra \$1,000 a month.

We also made a huge reduction in landfill overages! So far, extra charges for 2022 are 19% of what they were for the same months in 2021.

Even though the basic charges for landfill were doubled in 10 enclosures, even though Republic didn't start billing us for Tice Creek Entry 1 until May 2021, and despite a rate increase – our current invoice totals, so far, are less than what they were a year ago.

Water – Nathan Roundy, Chair

It was reported that the toilet project is on hold until residents allow MOD to come into their units.

Solar – Eric Cox

Dan Davis stated that there was not much to report. They are waiting for a legal opinion on the proposed changes to the Bylaws that would allow shared solar. One of the vendors has dropped out of the bidding process. One contractor is on vacation. The third contractor has submitted a proposal.

EPIC

The committee has met twice. The committee came up with three priorities. They need to obtain data from MOD. They also want to identify water issues.

PRESIDENT'S REPORT

No report.

UNFINISHED BUSINESS

BBQ Policy: It was recommended that verbiage be included for GFCI outlets, fire extinguishers, compliance with manufacturers installation and must be attended to at all times. Mr. Dunning moved to amend the policy. Mr. Schmidt seconded. The Board agreed to defer to their next meeting.

Shared Deductible Agreement: The deductible is \$250,000.

Mr. Dunning moved to approve the agreement. Ms. Bradner seconded and the motion carried without dissent.

Stotter voted yes (Zoom)

NEW BUSINESS

Mr. Dunning moved to ratify the authorization of the Notice for Acclamation. Mr. Schmidt seconded and the motion carried 4-1 (Shlevin).

Stotter voted yes (Zoom)

Inspector of Elections

Mr. Dunning approved the proposal from Andrea O'Toole to be the Inspector of Elections for the SWCM I 2022. Ms. Bradner seconded and the motion carried 4-1 (Shlevin).

Stotter voted yes (Zoom)

Replace Water-Cooled A/C with Air-Cooled Units-Discussion of Contract:

Ms. Bradner gave the following report:

At the last board meeting I reported that the Water Committee had calculated the cost this year of water used in air conditioners will be \$360 thousand. This was net of the cost for domestic use and landscaping and it will only rise as EBMUD raises its rates. The committee obtained a bid from Freeman's Heating and Air Conditioning of \$3450 per unit to replace them with air-cooled units. This led to a payback period of 4.6 years or less considering the reduction in maintenance costs of new units. MOD obtained a second bid from All Bay Heating and Air Conditioning of \$6,282 per unit. The committee recommends and I move that the board contract with Freeman's as soon as the work can be scheduled. Note that Mutual One has also replaced water-cooled air conditioners successfully.

Ms. Bradner moved to approve the bid from Freeman. Mr. Dunning seconded and the motion carried 4-1 (Shlevin).

Stotter voted yes (Zoom)

A second motion is that we fund this out of the Reserve Fund instead of borrowing from a bank. The Reserve Fund is at a healthy \$5.552 million as of January 31, which is slightly above the budgeted level and it grew steadily through 2021. We will thus avoid interest cost on a loan. If we are hit with a catastrophe, we could then borrow. The \$1.670 million cost of the replacements will be offset by the reduction in water cost by the end of 4.6 or fewer years and after that, a total saving.

Ms. Bradner moved to fund this project out of the Reserve Fund. Mr. Dunning seconded and the motion carried 4-1 (Shlevin).

Stotter voted yes (Zoom)

Ms. Shlevin proposed a pilot program for 10 units to be looked into. No second, motion died.

RESIDENTS' FORUM

Resident suggested the Board speak to the insurance company regarding what should be included in the BBQ policy. She also asked how the reserve fund gets replenished. Resident asked why there haven't been studies to determine how much water goes into the golf course.

Resident stated that the reserves are not what they were on January 31st. There is an assumption that the Board can just get a loan for an emergency.

Resident thanked the Board for the solar project. He would like the revision of the policy to move forward.

Resident thanked Shlevin and Stotter for checking unit.

Resident acknowledged the Gunn tragedy and all had empathy for them. Landscape issue on Running Springs.

Resident stated that A/C units don't need to be changed unless they have to.

ANNOUNCEMENTS

Mr. Dunning read the announcements as listed on the agenda.

ADJOURNMENT

Having no further business, the Board adjourned the meeting at 12:17 p.m.



Anne Paone, Assistant Secretary
Second Walnut Creek Mutual