

MINUTES

SECOND WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, AUGUST 18, 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, August 18, 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: Paul Donner, Director of Mutual Operations; Joel Lesser, Chief Financial Officer; John Tawaststjerna, Landscape Manager and Anne Paone, Administrative Secretary.

Mark Marlatte, Building Maintenance Manager - Excused

The consent calendar consisted of:

- a. Approval of Minutes: Regular Meeting: July 21, 2022
Executive Session Meeting: July 21 and July 26, 2022
Ms. Bradner moved to approve the consent calendar as presented. Mr. Stotter seconded and the motion carried 4-1. (Shlevin)

A voice vote was taken. Dunning-y, Stotter-y, Bradner-y, Schmidt-y, Shlevin-n

MOD REPORTS

Paul Donner gave the following report:

Building and Maintenance:

2022 PREVENTITIVE MAINTENANCE AND RESERVE PROJECTS

1. Carpentry and Painting Maintenance
 - Carpentry PM and Painting continues on Leisure Lane working in entries 1 and 3 and Stanley Dollar entry 4.
2. Roofing Program
 - State Roofing Systems to start eight roofs August 22nd and tentatively scheduled to finish October 21st.
3. Bridge and stair Replacements
 - 1325 Running Springs is being scheduled for replacement in October.
4. Deck Coating
 - Scheduling as required in P.M. area and as needed.
5. Appliance Replacements
 - Appliance replacements for June totaled \$ 96,000.
6. Roof and Gutter Cleaning
 - Roof and gutter cleaning have concluded and will resume in the winter months.

7. Manor Lube

- The Manor Lube program continues. As requested, the techs are checking for Zinsco panels and non-low flow toilets. Inspections are showing that Zinsco panels and standard toilets are not common. Most of the toilets have 1.6-gallon tanks. The program is 55% complete.

8. Water-Cooled Air-Conditioning Conversion

- The contract has been awarded to Freeman Heating and Air. He is currently working with suppliers to ensure adequate supplies are available. The preliminary schedule is to start in late September. This will free time to service existing units during the hotter months. Barring any unforeseen circumstance, the work should take 30 months to complete. SWCM attorney is fine tuning the contract.

Mr. Donner reported on the carport fire. The repair has been completed. The cost was \$85,000 with a Mutual-shared deductible. The Mutual can go back to the person that caused the fire.

We have the permits for the retaining wall on Singingwood , but are waiting for the signed contract.

LANDSCAPE

John Tawaststjerna gave his report as follows:

SWCM Landscape Report

MOD Landscaping

- Irrigation projects
 - o Upgrading irrigation along Canyonwood
 - o Switching to bubblers and MP rotator nozzles
 - o Making sure irrigation stations are not combined shrubs and lawn
- Small lawn conversions
 - o 1252 Singingwood behind unit
 - o 3301 Tice Creek side of unit
- Plant replacements
 - o The deadline for plant replacement requests is October 1st
 - o Please use the email below or the Google form link to submit requests
 - plantreplacement@rossmoor.com
 - <https://forms.gle/XsmbyaCMRiVxoB877>

Landscape Maintenance from Terra

- Deadheading of perennials
- Pruning of overgrown shrubs
- Crews are mowing the lawns every week
- Weed removal by hand and herbicide spray

Lawn Reduction Proposals

- 3341 Tice Creek Entry 12B
 - o \$5,640.00
- 1333 & 1349 Running Springs Entry 10
 - o \$6,935.00

Budget

- Landscape Rehab

- Total Budget - \$200,000.00
- YTD = \$38,396.64
- Remaining = \$161,603.36
- Tree Maintenance
 - Total Budget - \$160,000.00
 - YTD = \$92,070.00
 - Remaining = \$67,930.00

TREASURER'S REPORT – Joel Lesser/Liz Bradner

Ms. Bradner reported that she has not received the July financials yet.

Mr. Lesser reported that the July financials are almost complete. They will have them by Monday.

Mr. Donner reported that the template for the budget is built and the data is being loaded in. They are still working on the water numbers and insurance rebate numbers. The commissions are capped. Any money over the approved amount is returned.

COMMITTEE REPORTS

Landscape – Marilyn Schuyler

Ms. Schuyler gave the following report:

She reported that Neva is the co-chair. India Cox will be appointed as Co-chair, too. She thanked the volunteers on the committee. The committee worked closely with John Tawaststjerna. He prepared a list of areas to convert from lawns. He will compare it with the committee. There is a 3-year plan to convert 50% of lawns to low water usage plants. They have completed the rehab list.

The architect will develop prototype designs. Water conservation is the top priority.

Trash – Kathleen Epperson, Chair

The Trash Committee is pleased to announce that Second Mutual continues to have very few extra trash charges. Last June we were charged \$104.17 extra for landfill overages in Running Springs Entry 10 and Tice Creek Entry 4B plus a special pickup in Leisure Lane Entry 10A when food, plastic bags, and other trash were found in recycle.

In July we were charged \$65.02 for overages in Singingwood Entry 6 and Tice Creek Entries E, 4B, and 13.

This is much less than what Second Mutual paid for extra charges prior to the formation of our committee.

We continue to be grateful to all the Second Mutual residents who contribute to lowering our trash costs.

Water – Therese Welter and Ann Stanwood, Co-Chairs

Ms. Welter gave the following report:

The WCC has had a very busy month. Our 6 water committee members have delivered fliers to all of our 1387 residences highlighting what each person can do to save water. We have gotten very positive responses as we have met people along our walks. Many have stopped to tell us of water loss that they have observed, and as a result of this it has become apparent that many residents don't know how to report a leak or don't understand that residents are the first line to report them. The committee will add this to our Resident Education Project by providing email address and phone numbers and instructions for reporting outdoor water leaks, to every resident so they can post and keep. We have also created an email address just for 2M water leaks that will be rolled out at the same time.

As I reported last month, due to the EBMUD on-line reports that we now have access to on our billing accounts, 24-hour continuous water leaks were shown on all of our smart meters. EBMUD advised that from their experience, this means toilet leaks or landscape leaks. We

coordinated an inspection date and time and Luke Sires and David Wallenstein from EBMUD came out and inspected 41 random toilets, that the committee organized for residents who had volunteered for this project. On July 22nd they sent their report.

To summarize: 41 toilets that were inspected and several Laundry Rooms

- 4 had small leaks from the tank to the bowl blue water observed in toilet bowl (10%)
- 9 had water levels that were at or near the top of the overflow pipe which can cause the water to continuously flow often without a resident being aware (22%)
- 8 had toilets that were using 2.4 to 3.5 gpf instead of the current 1.28 gpf using twice or three times more per flush (20%)
- Laundry Rooms were using older washing machines that do not meet current efficiency standards

EBMUD Recommendations:

- Promote testing of all toilets for leaks.
- Provide dye tablets for testing to all residents free of charge*
- Consider existing new partnerships such as annual inspection or handyman service for ways for residents to assess and resolve
- Replace toilets that use more than 1.6 GPF
- Replace all washing machines in laundry rooms with water saving models
- Meeting with the Landscape Manager and EBMUD to review water use and/or leaking equipment
- Finding infrastructure, landscape and indoor leaks will reduce continuous water use

As a result of this report and conversations we have had with the EBMUD Analyst and Engineer with whom we are working, we are creating several new projects that focus on leaks. EBMUD has agreed to supply dye packets for all of the residences in SWCM. There is a lot of behind the scenes work that go into creating and implementing and measuring outcome for these projects. We have been consulting with several GRF personnel, who have been extremely helpful in giving advice and suggesting a way to proceed. Thanks to John Tawaststjerna, Eric Howard, Lisa Lankford, and Amanda Davis for their collaboration in our search for information.

Billing and Usage Report for Year over Year, to Date usage. Since we now have on line access to EBMUD billing I have created a worksheet that tracks our SWCM, 11 water meters (residential/landscape) billing and usage and compare it to previous years YTD for 3 years. This allows us to quickly see whether our usage is improving or if something has caused usage to increase, other than normal variations. Usage amounts are more accurate since water rates go up every year on July 1st , and this year there is an additional surcharge due to the drought. Please see separate attachment.

To summarize, I can report that for the last 3 years, our overall water usage is lower by about 13% since 2020 YTD and our current billing costs are down about 1%. I can also see that we have huge spikes in usage, for the same period, often for a few months. In the future, we will be tracking that going forward to make sure the spikes are reported and resolved.

Anyone who is willing to work on water saving projects are welcome to join our committee. We just welcomed a new member who is a newer resident, Lisa Sammon, who already has made good suggestions and offered to do some reports for us. If you are interested, please contact co-chairs by email Therese Welter at twelter@att.net or Ann Stanwood at ann4aes@aol.com for information.

Committee Members

Therese Welter- Co Chair

Ann Stanwood- Co Chair
James Greenberg
Susan Steele
Shelly Eick
Lisa Sammon

Solar – Dan Davis

Shared solar was not economically feasible. Individual solar may be more attractive.

EPIC

Marv Ryken is looking at laundry rooms. He finished his input on usage. He sent it to Eric Howard. Money collected was \$40,260 for 2021. The cost to collect was \$7,000. It cost \$29,000 to maintain the machines and \$5,761 for new machines. He is trying to look at low water usage.

DRC

Mr. Dunning reported that there was no activity.

Finance Report

The finance committee of SWCM conducted a series of meetings with Liz Bradner to assist us in understanding the accounting procedures of MOD.

We also had a meeting w/Ken Johnson, the Senior VP of Gallagher, the insurance broker for all of Rossmoor. We have also conducted subsequent meetings concerning insurance.

We were invited by Liz Bradner to attend a meeting on August 8th 8/8 of the Treasurer's Club for all the mutuals. The purpose of the meeting was to introduce the revised Accounting Services Guide for the mutuals of Rossmoor.

We are currently awaiting receipt of insurance loss runs from Eric Wong of MOD.

Mr. Donner reported that Gallagher is supplying options for insurance coverage.

PRESIDENT'S REPORT

No report.

UNFINISHED BUSINESS

- a. Discussion – Technology and Communications Committee

Mr. Dunning stated that this should be done by management, not a committee.

- b. Meet the Candidates

Mr. Dunning asked if the Board is interested in having a Meet the Candidates forum. A consensus was not reached. Ms. Shlevin read the notice from the inspector of Elections. It included information regarding dates pertaining to the election.

- c. Freeman Replacement Contract

This was a contract for air-cooled compressors for water cooled air conditioners. Mr. Donner reported that the count is 569 units to be replaced. Mutual attorney, Mike Hughes is reviewing.

Ms. Bradner mover that the president can sign the contract when the revisions are made. Mr. Stotter seconded. The motion carried 4-1

A voice vote was taken. Dunning-y, Stotter-y, Bradner-y, Schmidt-y, Shlevin-n

NEW BUSINESS

- a. Approval of Landscape Project-Running Springs, Entry 10

- b. Proposals presented were: Terra Landscape-3341 Tice Creek 12/B lawn conversions in the amount of \$5,640 to be taken from reserves. Terra Landscape 1333 and 1349 Running Springs for \$6,936 for lawn removals and plantings.

Mr. Dunning moved to approve the two proposals as presented. Mr. Schmidt seconded and the motion carried without dissent.

A voice vote was taken. Dunning-y, Stotter-y, Bradner-y, Schmidt-y, Shlevin-y

- c. Sale of Manor

Mr. Stotter moved to adopt a resolution authorizing the President of Second Walnut Creek Mutual ("Mutual"), or the Vice President in the absence of the President, to sign on behalf of the Mutual all documents in connection with the listing, sale, escrow, and closing of the dale of Mutual-owned memberships. Ms. Bradner seconded and the motion carried 4-1.

A voice vote was taken. Dunning-y, Stotter-y, Bradner-y, Schmidt-y, Shlevin-n

RESIDENTS' FORUM

Resident asked how many employees there are at MOD. She also asked if there is a safety program in effect.

Resident state that she would like to see more transparency in meetings. She is concerned about water increases which will increase the coupon.

Resident would like to have solid procedures in place when selling a membership.

Resident would like more information on water-cooled air conditioners.

Resident would like to learn more about how things are done.

Resident would like transparence to be more informed. The budget will most likely go up so maybe the Mutual can help people get low-cost loans.

ANNOUNCEMENTS

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

ADJOURNMENT

Having no further business, the Board adjourned the meeting at 12:09 p.m.



Anne Paone, Assistant Secretary
Second Walnut Creek Mutual

**The Board of Directors met in executive session on July 21, 2022 at 12:15 p.m. in the Board Room at Gateway to discuss the following:

Member Matters – Fine imposed

Having no further business, the executive session adjourned at 1:15 p.m.

**The Board of Directors met in executive session on July 26, 2022 at 1:00 p.m. in the Board Room at Gateway to discuss the following:

Member Matters - Warning

Having no further business, the executive session adjourned at 1:52 p.m.