

MINUTES

SECOND WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, AUGUST 19, 2021 AT 10:00 A.M. ZOOM

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 19, 2021 via Zoom.

ROLL CALL: Present: Clay Dunning, President
Michael Stotter, Vice President
Liz Bradner, Treasurer/Secretary
Barbara El-Baroudi, Director
Brendan Schmidt, Director

Absent: None

Mutual Operations staff was represented by: Paul Donner, Director of Mutual Operations; Joel Lesser, Chief Financial Officer; and Anne Paone, Administrative Secretary. Mark Marlatte, Building Maintenance Manager; Rebecca Pollon, Landscape Manager were excused.

There were 55 residents in attendance.

The consent calendar consisted of:

- a. Approval of Minutes: Regular Meeting: July 15, 2021
Executive Meeting: July 8, 15, and August 4, 2021

Mr. Stotter moved to approve the consent calendar as presented. Ms. El-Baroudi seconded and the motion carried without dissent.

RESIDENTS' FORUM

Resident asked if contract was signed for legal services and if the Board has considered an increase in the coupon.

Resident asked if the Board is considering aluminum wiring, suggested waiting on mass solar for the Mutual, would like more Board directors.

Resident encouraged Board to continue meetings on Zoom.

Resident wants to place solar on his roof-is there an average bill for PG&E, Board should do feasibility.

MOD REPORTS

Landscape

Mr. Donner read Ms. Pollon's landscape report as follows:

AUGUST PROGRESS REPORT

- Tice Creek entry 6 renovation is underway and will take at least another week to complete.
- MOD crews recently completed a system-wide irrigation check and repaired six breaks, all of which were minor, and they also identified a larger mainline leak at Singingwood entry 5 which was passed to the building maintenance department for attention. They did find some opportunities for making relatively low-cost water efficiency upgrades, which will be discussed with the landscape committee.
- MOD crews have begun removing juniper at the end of Singingwood entry 3, at the top of the slope that leads to Stanley Dollar.
- The now fully functional Landscape Committee and Landscape Manager recently met and discussed small projects which have been collected and prioritized by the Committee. Prices are being sought for those projects and will be submitted to the Board for review when they are available.

Mr. Donner reported there was \$157,000 in the annual budget for Tree Maintenance and Removals. There is currently approximately \$50,000 left. Irrigation had an annual budget of \$35,000 with approximately \$19,000 left.

BUILDINGS AND FACILITIES REPORT

Mr. Donner read Mr. Marlatte's report.

2021 PREVENTITIVE MAINTENANCE AND RESERVE PROJECTS

1. **Carpentry and Painting Maintenance**
 - Carpentry PM and Painting is on Leisure Lane. (1317 – 1301)
2. **Roofing Program**
 - Eight of ten buildings are complete. Additional two buildings are scheduled to be completed by August 27th. 1300 and 1537 Canyonwood Court.
3. **Bridge and stair Replacements**
 - None at this time.
5. **Deck Coating**
 - Scheduling as required in P.M. area and as needed.
6. **Appliance Replacements**
 - Appliance replacements for the month of July (Not posted yet.)
7. **Roof and Gutter Cleaning**
 - Please call the order desk for roofs or downspouts that need to be cleaned.
8. **Manor Lube**
 - Manor Lube program is ongoing throughout the Mutual.
9. **Paving**
 - Entries 5, 6, 8, 9 & 10 Running Springs Road completed August 15 – 18.

Mr. Donner reported that the manor lube is just getting started as they were down staff. 300 manors have been completed and the rest will be completed by the years-end.

TREASURER'S REPORT – Joel Lesser/Liz Bradner

Mr. Lesser reported there has been a turnover in the accounting staff. They are a week behind in closing the July books.

The June financials showed the ending balance in the operating account was \$407,002 and the reserve account was \$4,982,883. The Mutual was under budget by \$70,218 for June and under budget YTD in the amount of \$294,369.

Ms. Bradner asked Mr. Donner to read the resale report. He reported that July resales were 15 and the median price was \$425,000.

COMMITTEE REPORTS

Landscape – Bob Hass

Mr. Hass reported that Neva Flaherty is a new member. They have set up a process to prioritize residents' requests. They met with Ms. Pollon and it was a very productive meeting. They discussed small projects an article will be in the News asking for more members.

Trash – Kathleen Epperson, Chair

Ms. Epperson reported they currently have 48 trash volunteers monitoring 44 of our 82 enclosures. Volunteers are still needed for 38 enclosures. Two co-chairs who helped us get started have stepped down. Loretta Morris has stepped up as a new co-chair. For years the landfill dumpster shared by Canyonwood Entry 8 and Ptarmigan Entry 5 had overflow problems. We discovered it was being emptied two days in a row, Thursdays for Ptarmigan Entry 5, and Fridays for Canyonwood Entry 8. This dumpster is now emptied on Tuesdays and Fridays.

Canyonwood Entry 3, which has one two-yarder, was billed for four one-yarders. Republic Services is giving us a credit for 18 months.

Structural damage to Leisure Lane Entry 3's trash enclosure doors was caused when a dumpster was being emptied. Eric Howard will have the doors replaced with new heavy duty metal framed doors.

Rats and raccoons are a huge problem throughout Second Mutual. Janet O'Leary discovered one factor. In some split-lid, one-yard, landfill dumpsters, the metal which keeps the lids in place is missing. Raccoons slide these lids apart and pull out trash – even when the dumpster is locked.

Currently Republic Services only supplies working split lids for two-yarder dumpsters. Republic suggests either using a solid lid, which is too heavy for some residents, or upgrading to a two-yard dumpster for an additional \$1267 a year. On July 15 Kimberly Lam was working with Republic's container shop to see what, if anything, could be done to fix our one-yarder lids. So far, we have not gotten an answer.

Since raccoons are attracted to food, we encourage residents to put food scraps in the green carts. If the lid is shut, it is hard for raccoons to get in. At our request, any green cart which leaks or has a warped lid is replaced. To avoid overage charges, the 32-gallon green cart in Tice Creek Entry 8 was replaced by a 64-gallon cart. At the request of residents, a green cart was added to Ptarmigan Entry 1.

Water – Nathan Roundy, Chair

Mr. Roundy did a PowerPoint presentation. Low-flow toilets were briefly discussed. Mr.

Roundy recommended that everyone in the Mutual install this type of toilet. Mr. Donner reported that residents can call MOD to get a low-flow toilet at a good price. The resident will be responsible for the installation and costs.

Mr. Roundy reported there are 13 water meters for SWCM, but they cannot separate out usage.

Mr. Roundy reported that the run-off water from air conditioners ends up at the golf course in the pond. He recommended selling the excess water to the golf course.

It was suggested that, otherwise, this was a waste of the water, but Mr. Schmidt reported that technically it is not wasting water. He thought the easiest solution would be to sell the water to the golf course. They would need to figure out exactly what amount of water they are donating to the golf course. Mr. Schmidt reminded everyone that placing a compressor unit outside of bedrooms would create a lot of noise for the downstairs residents.

Solar – Eric Cox

Mr. Schmidt reported that Mark Fehlig has resigned as the chair.

Mr. Schmidt moved to appoint Eric Cox as the chair of the Solar Committee. Mr. Stotter seconded and the motion carried without dissent.

Mr. Schmidt reported to the members that the Board has not negotiated anything with Table Rock. They have not met with Table Rock outside of public meetings.

Mr. Cox introduced himself.

He reported that for those of you who may not know, Mutual Boards #3, 8, and 70 already have already voted “yes” to engage in feasibility studies to bring solar power to their homes, and are in various stages of that process.

He thanked Mark Fehlig for his service, not only to this Solar Committee, but to all of SWCM itself. He acknowledge Mark’s commitment to the cause of Solar Power and for all of the hours spent working on this project.

Mr. Cox introduced the members of the committee.

SWCM SOLAR COMMITTEE

Our cause and purpose as abbreviated from our charter is to, “identify, research, report, advise and make recommendations to the board of Solar Energy as a mutual-wide service.” This is an ongoing process we’ve all been engaged in. At this point, it is our committee’s recommendation to go ahead with the Feasibility Study for Solar Power in Mutual Two.

1. We can see a projected financial benefit for our manor holders now and in the future, by immediately lowering the cost of electricity that we pay for, and
2. By stabilizing these lower rates for the next 20 -25 years.
3. We also see this as an opportunity to improve the reliability and resilience of our electrical power in the face of ongoing PG&E power shut offs in dangerous weather.
4. Some obsolete electrical infrastructure would be replaced as well to allow for the solar installations, resulting in an overall enhancement of safety, longevity, and the value of our manors.
5. We also feel this recommendation is in line with our desire to consume more green energy in Rossmoor and do our part against Global Warming.

We see this as a win-win situation for everyone.

SWCM SOLAR COMMITTEE

Proposed added criteria to the feasibility study

The above benefits are part of the guiding criteria of the Rossmoor Solar Initiative. In our committee's ongoing look at 2nd Mutual's proposed feasibility study, we also decided that the following criteria should be clarified and/or added into the final proposal.

- 1) The project shall cause electricity to be provided to Mutual 2 Manors for a fixed term, at a fixed rate that is at least 20% lower than the current PG&E rate.
- 2) The entire cost of the project including permitting, environmental study and interconnection costs will be borne by project investors who will own the project equipment.
- 3) The investors shall be fully responsible for all system maintenance and upgrades
- 4) The investors shall be responsible for and insured for liability and any damage to Mutual property caused by their equipment or agents.
- 5) The investors shall remove and replace their equipment if repairs to a roof are necessary.
- 6) The investors shall remove their equipment at the end of the project term unless the Mutual agrees otherwise.
- 7) All permitting costs and fees shall be included, including environmental studies (if needed), and interconnectivity fees.
- 8) Aesthetics should be considered when recommending placement of the solar panels.

Mr. Dunning had previously announced that residents could ask questions or give comments following the Solar report. They are as follows.

Ms. Bradner asked if they will pay the same rate or if they will be allowed to raise it. Mr. Cox responded it will probably be raised, but less than PG&E.

Mr. Schmidt reported that recently, Johnson Control told the Mutual they are interested in making a proposal. PG&E expresses some interest.

Mr. Cox reported the committee is positive on what they have seen from Table Rock.

Mr. Schmidt reminded all that GRF engaged an expert. Mr. Donner stated that the report is completed and will be sent to the GRF Board possibly by Friday.

Mr. Schmidt stated that PG&E might be good because they are very interested in a microgrid. The Mutual would have to pay for the microgrid.

Mr. Cox reported that Sage Enterprises would do the actual installation.

Resident asked who are the Table Rock investors? Mr. Dunning stated their source of money is pension funds. He didn't think there were any investors.

Resident asked about obsolete equipment. Will Table Rock update their equipment? Dan Davis responded that it depends on the investors. They might update the equipment.

Resident advised Board to look very carefully because this is a complicated issue. She asked why the Mutual isn't working through MOD. Mr. Donner responded that if the Mutual moves forward on this issue, MOD would have to be involved. This matter is way outside the expertise of the staff and should be done by outside experts.

Resident stated that the savings may not be a lot to each resident. Battery back-up systems are expensive and complicated.

Resident expressed concerns that all of the advantages go to the investors. The Engagement letter was a very poorly written document. The Board should not be influenced by time pressure to get it signed.

Mr. Cox reported that Table Rock incurs the cost upfront of the feasibility study. If the Mutual engages them, they pay nothing. If half-way through it is not looking good, the Mutual is responsible for \$44,000. If earlier in the process, the Mutual is responsible for

\$26,000. If all parties agree to stop, there is no cost to the Mutual. The Mutual coupon is not to go up. The Mutual could pay as much as \$88,000 if the Mutual misses date to comply. Go to www.RSI.org to educate yourselves.

(Liz Bradner had to leave the meeting at 11:40 a.m.)

Resident stated they would like an analysis of the risks vs benefits. This should be done by an objective entity.

Resident agreed with slowing down. She asked if members could attend the meeting with Johnson Controls on August 25th at 7:00 pm. She asked if the Board would have an electrical inspector come out.

Resident stated may people are shocked to hear about this deal with Table Rock. She has started a solar consensus group. She stated that she is willing to be a repository for information to be sent to other residents.

Resident stated that communications is important. She thinks it is great doing meeting son Zoom.

PRESIDENT'S REPORT

No report.

UNFINISHED BUSINESS

- a. Carport and parking Committee-Charter
Deferred to next Board meeting

NEW BUSINESS

- a. Legal Services Engagement Agreement
Deferred to next Board meeting

ANNOUNCEMENTS

Announcements were listed on the agenda. Due to time-constraints, they were not read.

ADJOURNMENT

Having no further business, the Board adjourned the meeting at 12:00 p.m.



Anne Paone, Assistant Secretary
Second Walnut Creek Mutual

**The Board of Directors met in executive session on July 8, 2021 at 10:00 a.m. via ZOOM to discuss the following:

Member Matters – Various.
Legal Matters – Rental Policy

Having no further business, the executive session adjourned at 11:58 a.m.

**The Board of Directors met in executive session on July 15, 2021 at 11:30 a.m. via ZOOM to discuss the following:

Member Matters – Various. Terminations.

Having no further business, the executive session adjourned at 12:29 a.m.

**The Board of Directors met in executive session on August 4, 2021 at 10:00 a.m. via ZOOM to discuss the following:

Member Matters – Terminations.

Having no further business, the executive session adjourned at 11:02 a.m.