

## MINUTES

### SECOND WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, JANUARY 19, 2023 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, January 19, 2023 via Zoom and Peacock Hall.

ROLL CALL: Present: Clay Dunning, President  
Michael Stotter, Vice President  
Liz Bradner, Treasurer  
Marv Ryken, 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: Special Meeting: Oct. 18, 2022 and Nov. 30, 2022  
Regular Meeting: November 17, 2022  
Tabulation Meeting: December 20, 2022  
Organizational Meeting: December 20, 2022  
Executive Session: Sept. 23 and Oct. 6, 2022  
Annual Meeting October 18, 2022

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

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

## MOD REPORTS

Mr. Donner reported that the storms involved a huge undertaking from MOD. Valley-wide, MOD received over 2,000 not including after hours calls. Seventeen trees fell down during the storm. There were some mudslides, but none in SWCM. They happened on GFR property, but they do affect some Mutuals. MOD has been using a team of inhouse crews and contractors to respond to emergencies as needed.  
The A/C conversion program has been started on Tice Creek.

## LANDSCAPE REPORT

Mr. Tawaststjerna gave the following report:

### **SWCM Landscape Report**

Update on Landscape Rehab Work

- Completed Terra Work

- Tice Creek Entry 8
- Tice Creek Entry 10
- Stanley Dollar Entry 3
- Tice Creek Entry 16
- Tice Creek Entry E Bus Stop
- Leisure Ln Entry 5
- Leisure Ln Entry 2
- In Progress Terra Work
  - Running Springs Entry 3
- Completed MOD Work
  - 1217 Leisure Lane Building Rehab
  - 1537 Canyonwood Small Rehab
  - Tice Creek Entry 10 Erosion Control along street
  - 3395 & 3399 Tice Creek Entry 12B erosion control
- In Progress MOD Work
  - 1156 & 1180 Running Springs Small Rehab
  - 1150 Canyonwood Small rehab
  - 1400 Canyonwood Lawn removal
  - 1337 Singingwood Small rehab
  - Tice Creek 12B Carport upgrade

#### TREASURER'S REPORT – Joel Lesser/Liz Bradner

Mr. Lesser reported the November 2022 ending balance for the operating fund was \$1,997,908 and the reserve fund was \$6,338,068. On a monthly basis, the operating fund was unfavorable by \$84,500, but YTD it is favorable by \$896,323.

Ms. Bradner reported that the January coupon will be adjusted in February due to the lateness in mailing. For November, there is \$64,000 in delinquencies over 90 days. There are 2 collection agencies that deal with co-ops.

*Ms. Bradner moved that the Finance Committee investigate collection agencies and report back to the Board their recommendation with Ms. Shlevin and Ms. Bradner to oversee actions. Mr. Dunning seconded and the motion carried without dissent.*

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

Ms. Bradner reported that resales for the month of December were averaging \$400,000.

#### COMMITTEE REPORTS

##### Landscape – Neva Flaherty

December was a quiet month for the committee. We reviewed the year and began preparations for 2023.

In addition to the 7 lawn conversions we completed last year, we have 7 more lawn conversion projects in MOD Landscape's pipeline to be completed early this year. We have asked MOD Landscape to prepare 12 more plans to be installed, to the extent possible, by May, with the remainder to be installed in the fall, when planting season arrives again.

The 14 projects so far have cost \$61,960.64; that's \$4.22 per square foot.

MOD has begun work on 12 small rehabs of worn or unsightly landscape areas (five have been completed already). MOD received 63 plant replacement requests, of which 8 were denied due to lack of space, or because they were so large that they became rehab

projects. The small rehabs and the plant replacements should be completed by the end of April.

We've started a group with First and Third Mutuals that will meet every other month to share resources and concerns. We think this will benefit all 3 Mutuals.

We are working on an itemized proposal template for MOD Landscape's use in drafting proposals, and for contractors to use when they submit proposals. This will give us more precise information about the ingredients in a proposal, such as the cost of grass clearing, irrigation, plant material, soil amendments and cobble borders. We believe this will assist us in making decisions about projects. We are close to completion of this form.

**Trash** – Kathleen Epperson, Chair

The Trash Committee's goal last month was to lower the extra charges we pay in December, the month when extra charges are highest for trash in Recycle and container lids which can't close. We succeeded! If you remember, Second Mutual was charged \$2,000 extra for December 2020 and \$564 extra for December 2021. But for December 2022 we were only charged \$36! We also had no extra charges last October and November!

Congratulations! A huge thank you to everyone who removed trash from Recycle, including milk cartons, soup cartons, and frozen food packages. Thank you to everyone who made more space in containers by breaking down cardboard boxes, even small gift boxes, and to everyone who brought big boxes and excess boxes to MOD Recycle Yard! Your efforts lowered what we pay for trash and recycle.

If you have any trash concerns, email SecondMutualTrashCommittee (all one word) @[gmail.com](mailto:SecondMutualTrashCommittee@gmail.com). Thank you.

Mr. Dunning reported that Mr. Stotter is stepping down from the Trash Committee. Mr. Dunning will be the liaison to the committee going forward.

**Water** – Therese Welter and Ann Stanwood, Co-Chairs

Ms. Welter gave the following report:

I have completed the 2022 usage and cost EBMUD report for our 11 residential water meters. To review, I get these bills each month from the EBMUD website. EBMUD bills from mid-month to mid-month. The 2022 YTD SUMMARY and 21/22 Comparison, I create from these bills is attached for the end of the year and labeled **SWCM DEC YTD 21/22**

**Summaries**

To summarize, the water usage has decreased by 15% YTD when compared to 2021 YTD and the costs have decreased by 7%YTD. Some of these decreases are due to probable pipe breaks in 2021 which were repaired but when compared to 2022 usage it makes 2022 water usage and costs decrease.

The meters that serve the water-cooled, apt units are the first three on the spreadsheet and show that the usage is more than twice the usage and averages at **10,079 gallons per apt unit** for the **year** compared to the meters on Tice Creek south of Stanley Dollar in the Mutual which only average **4,095 gallons per apt unit per year**. So, replacing those water-cooled air units in 2023 should decrease significantly their water usage. I will continue to track as we install.

**EPIC**

Kevin Moore and Dan Davis gave a presentation.

- 220 Washers and Dryers in 52 laundry rooms
- \$40,000 in yearly collections
- \$93,000 cost to Mutual + approx. \$15,000 estimate for Water and Electricity
- 25,000 Wash/Dry cycles - Assuming only one dryer cycle per wash
- Over \$2.00 subsidy per wash/dry cycle

- Fewer than 500 manors use the laundry rooms assuming an average of 1 wash per week
- On average, each machine is used slightly more than once every two days.
- Mutual 1 users are paying \$1.00 per wash/dry cycle to a contractor who provides and maintains the machines.
- Marv Ryken has attempted to obtain a bid from the same contractor with no response.
- MOD assisted Mutual 1 in obtaining their contract and Paul Donner has offered us his assistance.
- Mr. Donner provided us with a staff contact at MOD and a copy of an old Mutual 1 washer/dryer contract to inform our further analysis.

*Mr. Dunning moved to appoint Dan Davis and Kevin Moore as co-chairs of the EPIC committee. Mr. Ryken seconded. The motion carried without dissent.*

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

*Ms. Shlevin moved to appoint Marv Ryken as the Board liaison to the EPIC committee. Mr. Dunning seconded and the motion carried without dissent.*

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

### **DRC**

Mr. Dunning reported that there was no activity.

### **Finance Report**

Members: Michele Colucci, Eric Norman, Wini Daniel

In addition to the items we outlined in our August report, the Finance Committee has since:

- Reviewed the monthly financial reports
- Discussed estimated insurance premium for 2023
- Reviewed Paul Donner's annual forecasting of income and expenses for SWCM
- Discussed the inability to change our fiscal year starting January to another month that is NOT the start of a calendar quarter (April, July, October) as the current computer system that MOD uses does not have the bandwidth to accommodate this.
- Interviewed a candidate who expressed an interest in joining the finance committee. He only lives in Rossmoor 6 months of the year, which we did not find adequate.
- Instead of "borrowing" from the reserve fund for insurance premiums, stop calling it a loan from the reserve account and instead describe it as a prepayment funded by drawing on funds in our reserve account that will be refunded over the next 12 months by the members' coupon payments.
- Tried to determine which coupon delinquencies are due to resident deaths/estate issues

### **PRESIDENT'S REPORT**

Mr. Dunning reviewed the 2022 director election. He reported that Marv Ryken was elected with 449 votes and Liz Bradner was elected with 388 votes. He thanked Abha Gupta for her interest and participating in the election.

### UNFINISHED BUSINESS

a. Membership Approval

There was a discussion on what “authority” actually means. It means that the person signing the applications must follow the rules set in place by the Mutual’s documents. They are facilitating signing of the membership application, but have no power to randomly approve or disapprove.

*Mr. Dunning moved to confirm the authority of the president to grant or deny applications to SWCM membership. Mr. Stotter seconded and the motion carried 3-2.*

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

### NEW BUSINESS

a. Disband Solar Committee

Mr. Dunning reported that the committee went through any potential for shared group solar. There were many attempts, but this was not successful. The current solar rules are consistent with the state rules. Mr. Dunning wanted to disband this committee. Mr. Stotter suggested that solar be under the purview of the EPIC committee.

*Mr. Dunning moved to disband the Solar Committee. Mr. Stotter seconded. The motion failed 2-3.*

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

Mr. Ryken reported that PG&E doesn’t have the energy to support electrical usage. The Mutual might be able to get a subsidy to do some studies. They should inquire with the Department of Energy to see if they might pay for studies.

### RESIDENTS’ FORUM

Resident asked who paid for the election.

Resident commented that there needs to be more harmony and to get answers back to residents.

Resident is concerned about the cost of doing laundry.

Resident (Board Director) stated he never got a copy of the election report.


Resident suggested they inquire about getting an outside vendor to do the laundry rooms such as supplies and service of the machines.

### ANNOUNCEMENTS

Mr. Dunning read the announcements listed on the agenda.

### ADJOURNMENT

Having no further business, the Board adjourned the meeting at 12:13 p.m.



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Anne Paone, Assistant Secretary  
Second Walnut Creek Mutual

\*\*The Board of Directors met in executive session on September 23, 2022 at 1:00 p.m. in the Board Room at Gateway to discuss the following:

Legal Matters – Change Election Inspector.

Having no further business, the executive session adjourned at 1:45 p.m.

\*\*The Board of Directors met in executive session on October 6, 2022 at 10:00 a.m. in MPR #3 at Gateway to discuss the following:

Member Matters – #1 – Member to follow strict stipulations by Board  
#2 – Member – Next Step is Intent to Terminate

Having no further business, the executive session adjourned at 11:50 p.m.