

MINUTES

SECOND WALNUT CREEK MUTUAL
SPECIAL MEETING OF THE BOARD OF DIRECTORS
NOVEMBER 2, 2023, AT 9:00 A.M.
ZOOM & GATEWAY MULTI-PURPOSE ROOM #1

President Loran Shlevin called to order the special meeting of the Board of Directors of Second Walnut Creek Mutual at 9:12 a.m. on Thursday, November 2, 2023, via Zoom and in person at Gateway Multi-purpose Room #1.

1. **ROLL CALL**

- a. Present: President Loran Shlevin, Vice President Jeanne Steidel, Secretary/Treasurer Marv Ryken, and Director Liz Bradner and on ZOOM Director Michael Stotter
- b. Absent: None
- c. Mutual Operations staff: Director of Mutual Operations Jeroen Wright, Assistant Secretary Linda Schoeffner, Landscape Manager John Tawaststjerna, Maintenance Supervisor Eric Howard, budget manager Bud Baxter, and assistant treasurer Thomas Hand (Zoom).

2. **CONSENT CALENDAR** - Approval of Minutes: Fifty-Second Annual Meeting on October 17, 2023, motion by President Shlevin and seconded by Director Ryken. The motion carried unanimously. Approval of Organizational Meeting on October 17, 2023, motion by President Shlevin and seconded by Director Steidel. The motion carried unanimously.

3. **CONTRACT PROPOSAL FOR EMERGENCY MAINTENANCE** – Eric Howard

- a. Proposal to secure roof for rainy season on 1217 Running Springs RD from Oakpark Construction presented, motion to accept by President Shlevin, seconded by Director Stotter, and carried unanimously.
- b. Structural, mechanical, and electrical consultant contract for 1217 Running Springs RD #5 proposal from Flynn Architecture was presented. A motion to approve by President Shlevin, seconded by Director Ryken, and carried unanimously.
- c. Repaving/Drainage on Canyonwood CT E3 proposal from Black Diamond Paving & Concrete, Inc. presented and tabled. The decision was made to obtain geotechnical information on possible spring under paving before proceeding with repaving entry.

4. **TOPICS OF DISCUSSION**

- a. 2024 Budget - Jeroen Wright went over the 2024 Budget. Director Bradner made a motion that money be taken from the reserve fund monthly contribution to reduce the monthly coupon increase to \$56 instead of the listed \$120 increase that is in the Budget. The vote was 2 to 2 with one abstaining (Bradner, Stotter – yes, Shlevin, Steidel – no, Ryken – abstain). Director Ryken suggested that the vote be done after the Budget had all been presented so the vote was

tabled until the Budget was presented. Director Ryken made a motion to reduce the MOD 2024 Budget element of \$1,136,588 to the 2023 Budget value of \$1,082,465. Director Steidel seconded the motion and the motion failed 3 to 2 (Steidel, Ryken – yes, Shlevin, Stotter, Bradner – no). Jeroen Wright stated that GRF determines the MOD budget and the SWCM Board does not have the right to change the MOD budget value. He further stated that if the Board is unsatisfied with the MOD budget, then they should present their dissatisfaction directly to the GRF Board members. Director Bradner's motion to reduce the coupon to \$56 per month was restated, seconded by Director Stotter, and voted on and failed 3 to 2 (Bradner, Stotter – yes, Shlevin, Steidel, Ryken – no). President Shlevin made a motion to accept the 2024 Budget as presented with a coupon increase of \$120.37 per month, seconded by Director Steidel, and failed 3 to 2 (Shlevin, Steidel – yes, Bradner, Stotter, Ryken - no).

- b. Insurance – Ken Johnson & Zack Phillips, Gallagher, went over the insurance problem. Zack Phillips said that SWCM was being charged an extra 10% due to the previous \$1,000,000 fire within the past five years. Director Ryken pointed out that this is an added \$420,000 for each year for a \$4,600,000 insurance premium. This seems highly unfair because in three years the fire cost is repaid. Another approach to insurance was discussed, self-insurance, where a much larger deductible is selected, and money is put into reserves dedicated to future damages from fires. Zack Phillips said that Universities and other large organizations use this method and that it takes planning, and we should look at this option for the future.

5. **RESIDENTS' FORUM**

- a. Gutter guards discussed reducing gutter cleaning (Clay Clark TWCM).
- b. Concern over reduced reserve fund.
- c. Concern over manor loans require 100% coverage. Currently the insurance committee believes that we do not have a problem even though the coverage is less than 100%.

6. **ADJOURNMENT** – The President adjourned the meeting at 12:27 PM