

MINUTES

SECOND WALNUT CREEK MUTUAL
REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY,
SEPTEMBER 21, 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 10:02 a.m. on Thursday, September 21, 2023, via Zoom and Peacock Hall.

1. **ROLL CALL**

- a. Present: President Clay Dunning, Vice President Michael Stotter, Treasurer Liz Bradner, and Director Loran Shlevin and on ZOOM Secretary Marv Ryken
- 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, and CFO Thomas Hand (Zoom).

2. **CONSENT CALENDAR** - Approval of Minutes: Regular Meeting on August 17, 2023, motion by Vice President Stotter and seconded by Treasurer Bradner. The motion carried unanimously. Approval of Executive Session on August 17, 2023, and September 7, 2023, motion by Treasurer Bradner and seconded by Secretary Ryken. The motion was 4 to 1 (Director Shlevin no).

3. **MOD REPORTS** - Jeroen Wright – Discussed the fire safety program being coordinated by MOD. The area around manors, 0 to 5 feet, will have mulch replaced by rocks and plants removed. The insurance task force is recommending going to 50% replacement cost (\$1 Billion) versus 100% as called out in our CC&Rs to keep the premium reasonable. This will require all the mutuals to change their CC&Rs to reflect this change in insurance replacement costs. This may impact any new owners from getting a mortgage. Other efforts to reduce the premium are under way, building present worth evaluation and a tour of potential insurance underwriters on 9/25/2023.

a. Preventative Maintenance Report – Eric Howard

1. Carpentry & Painting – Working on Tice Creek DR E2 and E3
2. Roofing Program – Roof replacement program for eight roofs will start on 1177 Leisure LN on 9/25/2023. Residents will be notified 1 week in advance of their roof replacement.
3. Deck Coating – Scheduled as required.
4. Appliance Replacement – June total of \$60,778
5. Roof & Gutter Cleaning – Will resume in winter.
6. Manor Lube – 100% complete, contact Service Order Desk (988-7650) if your manor lube has not been done.
7. Water-Cooled AC Conversion – Completed 136 units and currently working at 1108 Leisure LN

8. Paving – Project completed on Tice Creek DR E6 & E8 and Canyonwood E2
- b. Major Projects – Eric Howard
 1. 1300 Canyonwood Drainage System – 5-Star Construction is in progress of construction of the new drainage system.
 2. 1300 Canyonwood Drainage System Modification - 5-Star Construction requested an additional \$16,960 to excavate an additional one foot of depth from the existing trench. Motion made to increase contract by Treasurer Bradner, seconded by Vice President Stotter, and unanimously approved.
 3. New Doors on garbage enclosure – The project has been completed at Leisure LN E10.
 4. V-ditch bids – Recommend accepting V-ditch bid from Fleece Construction for \$90,075 over bid from Silicon Valley Paving for \$149,870. Motion made to accept bid by President Dunning, seconded by Treasurer Ryken, and unanimously approved.
- c. Landscape Report: John Tawaststjerna
 1. Plant replacement – Working up list for review.
 2. Terra is fertilizing over seed lawns.
 3. Lawn conversions being done on Tice Creek DR E10, E14, and E15
4. TREASURER'S REPORT - Treasurer Liz Bradner
 - a. Financial Statement Report – The operating fund is \$2.475M up \$400k and the reserve fund is \$6.808M up \$518k.
 - b. Resales – A total of seventy-three manors have been sold this year with eleven sold in August at a median price of \$440k.
 - c. Investments – Treasurer Bradner made a motion to reinvest \$2M in 30-day T-bills and renew every 30 days. The motion was seconded by President Dunning and unanimously approved.
 - d. Preliminary Financial Report – CFO Hand reported \$14M as of August 1, 2023, with \$4.49M in cash. Treasurer Bradner moved to accept report, seconded by President Dunning, and approved 4 to 1 (Shlevin no).
5. **COMMITTEE REPORTS**
 - a. **Landscape** – (Chairperson Neva Flaherty) – Planting season is beginning, and will last six months, until April 1, 2024.
 1. Large Lawn Conversions - The committee has submitted requests for eleven large lawn conversions to MOD's landscape department. These are projects that are large enough to include a seating area if residents want one. Jesus Morales, MOD landscape supervisor for SWCM, meets with at least one resident before planning the project to learn what they want. He holds a second residents' meeting after the design is done and plants are selected to show the residents what is going to be installed. Meetings have started and one design at Tice Creek E14 and E15 was completed. The smaller projects will be done by Rossmoor landscape technicians and the others will be put out for bid. The committee is also exploring hiring a designer, Catherine Chang, for one of the largest projects, with high visibility along Tice Creek Drive. She is preparing an estimate for the design and if reasonable, the

committee will recommend it to the Board. Last year, 14,000 square feet of lawns was converted to drought tolerant plants.

2. Rehab Projects - The committee has submitted requests for fourteen rehab projects so far this year. There are seven from last winter, for a total of twenty-one rehab projects. These projects are usually done by Rossmoor technicians. We hope all the rehabs and the lawn conversions can be completed by April 1.
 3. Plant Replacement - The September 1 deadline for plant replacement requests has passed. Any replacement requests submitted now will be held for next year's planting season.
 4. Fire Safety - There are several juniper removal and replanting projects underway. Rossmoor has signed on to the Firewise Program, a national program which focuses on making the first one hundred feet from buildings fire resistant. For SWCM one requirement is to remove mulch that is up against buildings. The buildings will be surrounded by a border of small stones. This effort will hopefully also reduce our insurance rates.
 5. Artificial Grass – The committee's position on artificial grass is negative because: cost of \$11M for SWCM 850k sq.ft. of lawn, short lifetime of 20 years, holds heat and can burn the paws of animals, and releases microparticles of plastic into the air.
- b. **Trash** – (Chairperson Kathleen Epperson) – No report.
 - c. **Water** – (report by Therese Welter, Ann Stanwood co-chair) From the August 2023 billing data as compared to 2022 we had a year-to-date reduction in water usage of 10% for a savings of 6.5%. In 2022 water was 67.6M gallons for a cost of \$768,659 and for the same period in 2023 the water was 60.5M gallons for a cost of \$724,646. For the month of August 2023 as compared to 2022, the water usage was reduced by 17.1% for a cost reduction of 16.5%. Replacing the water-cooled air conditioner units has helped but water leaks hurt so do your part and report water leaks.
 - d. **EPIC** (report by Dan Davis, Kevin Moore co-chair)
 1. Coin Collection - Motion to change coin collection from monthly to every other month made by Secretary Ryken, seconded by Treasurer Bradner, and unanimously approved.
 2. Washer Pilot Program – Motion to spend up to \$1,000 for a pilot program to install one noncommercial washer in a high usage laundry room. Agreed to move this to next month to answer questions brought up in discussion.
 3. Laundry Room Cleaning - EPIC Committee to work with MOD to generate the statement of work for the new Laundry Room cleaning contract to reflect recommended EPIC committee cleaning schedule. Motion by Director Shlevin to have EPIC committee work with MOD to generate RFP, seconded by Secretary Ryken, and unanimously approved.
 - e. **Finance** (report by Wini Daniel) – No report.
6. **PRESIDENT'S REPORT** – Shocking cost of insurance cost increases drives our coupon budget.

7. **UNFINISHED BUSINESS** – Election Status (Ryken) - The Inspector of Elections that every member should have received their ballot packet. If you have not received the ballot package, contact Deanna Libert at 408-482-9659.
8. **NEW BUSINESS** – Transfer agenda items to next month’s meeting due to lack of time.
9. **RESIDENTS’ FORUM**
 - a. Concern over air conditioner conversion installation problems
 - b. Concern over email notices
 - c. Concern over transparency
 - d. Compliment on painting manor
 - e. Why is landscaping using Roundup?
 - f. Concern over increased budget due to insurance
 - g. Concern over adequate reserve funds for items in reserve study
 - h. Would like information via email on MOD charges.
 - i. Concern over landscaping and offer to help.
 - j. Laundry rooms are dirty and cloth lines are in poor shape.
 - k. Executive Meeting minutes should be published on the Rossmoor website.
10. **ANNOUNCEMENTS**
 - a. 52nd SWCM Annual Member’s Meeting Tuesday, October 17, 2023, 9:30 a.m. Fireside Room and Zoom. The meeting will consist of Election Ballot Counting, Announcement of Winner, Annual Meeting followed by Organizational Meeting.
 - b. GRF Regular Board Meeting Thursday, October 26, 2023, 9:00 a.m. Peacock Hall and Zoom
 - c. November SWCM Board Meeting Thursday, November 16, 2023, 10:00 a.m. Peacock Hall and Zoom
11. **ADJOURNMENT** – The President adjourned the meeting at 12:18 PM
Submitted by Marv Ryken

Linda Schoeffner

Linda Schoeffner, Assistant Secretary
Second Walnut Creek Mutual

An Executive Session was held on September 21, 2023, in MPR #3 at Gateway following the Board of Directors meeting. Items discussed were as follows:

- **CONTRACT FORMATION**
 - Account #9556 - Notice posted and complaint filed.
 - Account #20555 - Attorney to negotiate.
 - Account #16718 – Turn over to share deductible.
- **DISCIPLINARY HEARINGS:**
 - Account # 22840 Disciplinary Hearing – In Compliance

- Account # 20043 - 110 volts or 120 volts electrical
- Account #15290 - Landscape, Tree, & Structure – In Compliance
- Account # 22879 - Disturbance – Further Discussion Needed