

M I N U T E S
WALNUT CREEK MUTUAL TWENTY-EIGHT
REGULAR MEETING OF THE BOARD OF DIRECTORS
IN BOARD ROOM
WEDNESDAY, OCTOBER 25, 2023, AT 10:30 A.M.
IN PERSON

CALL TO ORDER: President Susan Hildreth called to order the regular meeting of the Board of Directors of Walnut Creek Mutual Twenty-Eight at 10:32 a.m. on Wednesday, October 25, 2023. This meeting was in person.

ROLL CALL: Present: Susan Hildreth, President
VACANT Vice President
Isabelle Chen, Treasurer/Secretary

Excused: None

APPOINTMENT TO VACANCY

A motion was made by President Hildreth to appoint Don Kurtz to the Board as Vice President. Treasurer/Secretary Chen seconded the motion, and it passed without dissent. (2-0)

Mutual Operations staff was represented by: Jeroen Wright, Director of Mutual Operations, Rick West, Building Maintenance Manager, and Linda Schoeffner, Assistant Secretary.

Seven resident members were present at this in person meeting.

CONSENT CALENDAR

• MINUTES FOR APPROVAL

President Hildreth moved to approve the minutes of the September 27, 2023, Board of Directors Meeting. Treasurer/Secretary Chen seconded, and the motion passed without dissent. 3-0 President Hildreth made a motion to approve the September 29, 2023, Special 2024 Budget Meeting minutes as amended. Treasurer/Secretary Chen seconded, and the motion passed without dissent. (3-0)

A Town Hall Meeting was held on October 19, 2023, to preview the 2024 Budget and the effect the current global market is having on insurance in the 2024 budget. Seven (7) members attended Zoom and seven (7) members attended in person.

CERTIFICATION of REVIEW OF MONTHLY FINANCIAL STATEMENTS

Treasurer Chen moved to certify compliance with civil code §5500 for the September 30, 2023, Financial Statements. President Hildreth seconded, and the motion passed without dissent. (3-0)

2022 Audit Financial Statements

President Hildreth moved to certify the 2022 Audit Financial Statements. A motion was made by Treasurer/Secretary Chen to certify. Vice President Kurtz seconded, and the motion passed without dissent. (3-0)

REPORT of BUILDINGS MAINTENANCE REPRESENTATION

a. Update on Electrical Panel Replacement

President Hildreth ratified KR Electric's proposal for an amount not to exceed \$9,000 for an emergency repair to the electrical panel on Building 2117 in Entry 11. (KR Electric was able to save the cabinet which did not have to be replaced.) Vice President Kurtz seconded, and the motion passed without dissent. (3-0)

Building 2225 and 2217 in Entry 12 were completed in 2023. Four (4) electrical panels will have been completed by the end of 2023; each costing between \$9,000 - \$13,000 per panel.

- b. Exterior Pathway, Light Project Status – Dellamar Electric will finish installing light fixtures next week and MOD staff will paint mushrooms and pagoda stems when the new fixtures are installed.

- c. Contract for Gutter Cleaning

A motion was made by Treasurer/Secretary Chen to approve Welcome Building Maintenance proposal in the amount of \$6,930 for cleaning the buildings and carports using a new vacuum type machine with a camera on the end to clean the gutters and downspouts in 2023. This machine will also be able to see if gutters are broken or rusted out by looking through the camera. Vice President Kurtz seconded, and the motion passed without dissent. (3-0)

Please be advised that we budget one cleaning for December 2023.

Mr. West reported the following:

INFORMATIONAL ITEMS: Work scheduled, In Progress or Completed

2023 Phase 3 DuraLast Flat Roof Replacement Project

Phase III Roof replacement, (Buildings #2101, 2109, 2117, 2129, 2133, 2137, 2141 & 2145 – a total of 8 buildings (3 Santa Cruz and 5 Santa Clara's).

Contractor: Fiala Roofing Estimated cost \$248,036.00.

PHASE 3 of Project is complete.

Phase IV, the final Phase will be completed in 2024.

New sidewalk / landscape lighting. Converting to LED lighting. This is scheduled as a

Contractor: Dellamar Electric - Cost \$19,810.00 MOD to paint Light Fixture Poles.

Estimate \$2,093.00

Project Scheduled

CONCRETE REPLACEMENT AT 2109 #3 IN 2023 Contractor Five Star ESTIMATE \$5,016.00.

Project Completed

Installation of 6 new double clean-outs on 6 buildings. 2137 / 2145 / 2153 / 2173 / 2181 in 2023

Cost \$16,375.

Project Completed

New Gutter / downspout / metal Cleaning Contract December cleaning.

Flashing Pressure washing will be a separate contract.

Contractor: Welcome Building Maintenance Cost \$6,930.00

Presented to the Board for approval.

Motion made in Item C: Contract for Gutter Cleaning (above).

Manager's Report – Jeroen Wright, Director of Mutual Operations

Jeroen spoke to the Board and residents in attendance In Person about the 2024 Budget and the insurance at Rossmoor. He explained that Rossmoor has \$1. B of insurance and that unless there was a 100-year catastrophic occurrence everyone should be fine with 100% replacement coverage. The highest claim in Rossmoor to date was \$5,000,000. We are in a global market and most of the insurance companies are in London. The Mutuals need to amend the verbiage in the insurance section of the CC&Rs/Bylaws to comply with Fannie Mae & Freddie Mac requirements.

REPORT of LANDSCAPE REPRESENTATION – Susan Hildreth

- MOD did a great job on Entry 12 turf reduction around both building 2229 and the side of building 2217, Units 3 & 4.

- They also did a great job on the plant replacement during MOD Days between October 4-13. Terra will complete the rest of the plant replacements.
- Entry 11 turf reduction will also be completed by Terra.

TREASURER'S REPORT

- a. Approval of 2024 Budget and Coupon Cost
Treasurer Chen move to approve the 2024 Budget and the Coupon Cost of \$1,260 per manor per month.
Voice Vote: Hildreth-y, Chen-y, Kurtz-y (3-0)
- b. 2023 Special Assessment at \$500 Due August 1, 2023
There is still an outstanding balance owed to the Reserve Fund for \$21,000 from the \$63,000 borrowed in 2023 to pay the balance due on the insurance, of which \$42,000 was paid back.

The Board also had an inspection and found that the electric panels will need repair/replacement. Due to the cost of insurance for 2024, and these additional reserve updates, the Board is considering another Special Assessment, which the Board will discuss at the January 11, 2024, Board of Directors meeting.
- c. Treasurer/Secretary Chen reported that our fund balances as of 9/30/23 were – Operating Fund: \$191,329 and Reserve Fund: \$446,664.

REPORTS of OFFICERS - Standing Committees:

- Social Committee - President Hildreth reminded residents that the “Winter Gathering” social has been planned. A room has been scheduled and the final touches are being worked out. Additional information will follow.
- Landscape Committee – No report.

UNFINISHED BUSINESS

- New Outdoor Library by Entry 11 has been cemented in place and is no longer unstable.

NEW BUSINESS

- a. CC&R Revision
Due to the cost of insurance for 2024, Mutuals at Rossmoor are considering amending the Bylaws/CC&Rs verbiage in the Insurance section to remove the 100% percentage Replacement Cost regarding property valuation. There would have to be a 100-year catastrophic occurrence at Rossmoor to not qualify for the 100% replacement cost at this time. Rossmoor has \$1,000,000,000 in insurance coverage, to date the highest claim at Rossmoor was \$5,000,000. Without amending the governing documents Rossmoor would be out of compliance and would not qualify for Fannie Mae, Freddie Mac, or FHA to purchase loans offering mortgages, refinancing, reverse mortgages, etc. They would also not be able to qualify for insurance.
- b. Possible Review of January 11, 2024, Board Meeting Date
President Hildreth informed the members of the changed date of the January 2024 Board Meeting.

MEMBERS FORUM

Members Forum was held. Items noted: a member asked if the insurance prices will continue to go up and if there is a point where Rossmoor will say, “No More! Where does it stop?” As Mutual Operations Director, Jeroen Wright talked about how fires run the course on hillsides, another member asked if Rossmoor does everything, they can prevent fires with Firewise, etc., will it reduce rates. They were told

that GRF is always looking for ways to safeguard the community, such as, roofs #1 rated, Zero Zones around buildings (0-5' distance away from buildings), replacing mulch and turf with hardscapes, rock, and stones, and using drones to name a few.

ANNOUNCEMENT

President Hildreth reported that the next meeting will be the Regular Board Meeting, Thursday, January 11, 2024, at noon, in Person at Multi-Purpose Room #3 at Gateway.

ADJOURNMENT

Having no further business, the meeting adjourned at 11:37 a.m.

Linda Schoeffner

Linda Schoeffner, Assistant Secretary
Walnut Creek Mutual #28