

MINUTES
FOURTH WALNUT CREEK MUTUAL

TWENTY-SECOND ANNUAL MEETING OF THE MEMBERS
THURSDAY, AUGUST 4, 2022 AT 2:00 P.M.
Via ZOOM

The Twenty-Second Annual Meeting of Members was convened by President Linda Brown on Thursday, August 4, 2022 at 2:00 p.m. via ZOOM.

ROLL CALL: PRESENT: Linda Brown President
 Sheldon Schwartz Vice President
 Pamela Ovalle Treasurer
 Janet Seldon Secretary
 Jeff Spires Director

ABSENT: None

Representing staff were Paul Donner, Director of Mutual Operations; Rick West, Building Maintenance Manager; John Tawaststjerna, Landscape Manager and Anne Paone, Administrative Secretary.

Ms. Brown welcomed the many members of 4th Mutual to the Twenty-Second Annual Meeting.

Ms. Brown introduced the Board of Directors as follows: Vice President Sheldon Schwartz, Secretary Janet Seldon, Treasurer Pamela Ovalle, and Director Jeff Spires.

CERTIFICATION OF NOTICE OF MEETING

Assistant Secretary, Anne Paone, certified that notice of the annual membership meeting was published in the *Rossmoor News* on July 27, 2022 and a notice was mailed to the membership in accordance with Article 4, Section 4.3 of the Bylaws of the corporation on July 15, 2022.

APPROVAL OF THE MINUTES

No minutes needed to be approved.

ELECTION RESULTS

Anne Paone, Assistant Secretary of Fourth Walnut Creek Mutual, did hereby declare that in accordance with the Resolution authorizing election by acclamation, Janet Seldon was elected to serve a 3-year term.

SUMMARY OF YEAR'S ACTIVITIES

Summary of the year's activities

The mutual has been very busy this year. The major projects were:

Building maintenance

- will be covered by Rick West

Technology and Preventive maintenance

- Constant Contact email Please send your email addresses so you can be kept up-to-date check website 4wcm.com for the address
- We now have a trash committee which will be evaluating trash enclosures and trying to put one green can in every entry. They will also try to help people understand the recycling program and other trash issues.

Landscape and grounds

- Rehabbed entry 1
- Mulched from entry 11 thru entry 17
- Many other small projects

Policy revisions

- We voted on a new Attorney, Melissa Ward with Adams Sterling, who will be reviewing our policies.

Building Maintenance

Mr. West presented his report as follows:

INFORMATION ITEMS: Work scheduled in progress or completed.

1. Dryer Vent Cleaning – Contractor: Bay Air Flow to complete up to 262 units. At \$65 Per unit. Total Price not to exceed \$18,590.00. Mutual will only pay for the number of units actually completed. This project is complete with the exception of the residents that where not home. Notices will go on the doors of these units with the contact information to schedule an appointment with Bay Air Flow. Total completed cleaning 233 units. Minus 24 units on Tice Creek - 262 units with dryers leaving 29 units remaining to be scheduled.
2. Roofing Project - This project will include the 7 Buildings remaining with Tar and Gravel Roof buildings in 4th mutual. Included will be new DuroLast Material installed on the flat sections of the roofs. Also new gutters and downspouts along with new tile to comp roofing. Building included are: # 1109 SC / 1301 SC / 1509 SC / 1902 SC / 1910 SC / 2101 SC / 2105 SC.
Contractor: Frank Fiala Roofing - Original contract total \$368,328.00.
2021 Phase I Roofing Project completed Buildings #1301, #2105, and #1509.
For a Total cost of \$101,838.00.
Phase II - # 1109 SC / 1902 SC / 1910 SC / 2101 SC
For a Total cost of \$304,994.00
Due to Material, Insurance and Labor cost increases.
The new Total project cost to complete all seven roofs - \$406,832.00

(Phase II is in progress).

3. 2144 TC - Replace broken sewer line. Contractor: Five Star. Cost \$4,800.00.
Completed.
1429 SKY - Replace broken sewer line. Contractor: Five Star. Cost \$ 10,950.00.
Project in progress.

4. Senate Bill SB326 - Structural Engineers inspection of raised mutual components –
The Board has elected to complete this project in 4 Phases over 4 years starting in
2021 - And completing the inspections in 2024. Total Inspection contract Cost
\$78,071.00.
Deadline to complete these inspections is January 1st , 2025.
Contractor: FWC - Destructive testing and put back will be completed by others.
2021 Phase I Cost \$18,720.00
2022 Phase II Cost \$19,299.00

Phase I Inspections completed in August 2021.
Phase II Inspection scheduled for August / September 2022.
(Reported repairs recommended will go out to bid).

5. 2021 Phase II / 2022 Phase III / 2023 Phase IV - Dry Rot and Touch
Painting Project Contractor: MOD – Phase II includes Entry 11 and 15
Skycrest Dr.
2021 Building Carpentry and Supervision Budget for this Project is \$90,000.00.
Breakdown of 2021 cost to-date: 2021 MOD Reserve Supervision and consultation
Cost \$ 11,975.00 / Painting Exterior – Cost \$20,715.00 / Carpentry Exterior – Cost \$
36,455.66

Total cost 69,145.66.
Additional Building and Balcony Dry Rot were discovered in additional locations.
2022 Total Carpentry Budget is \$196,000.00.

(Phase II of this project is currently in progress. The final phases will be completed in
2024).

6. Interior Electrical Building and Unit panels inspections - Contractor: Sang Electric
4th Mutual has all GE Electrical Panels – No Zinsco Electrical panels were found.
(This Project has been completed with exception of residents that have not responded
yet to notices).

7. Concrete Walkway replacement due to root displacement and tripping Hazards.
1217 Sky by #3-4. Cost \$2,660.00. / 1932 Sky by unit #1 Cost \$2,850.00 / 1932 Sky by
Unit #2 Cost \$2,185.00.
Contractor: Five Star - Total Cost \$7,695.00
(Projects completed or scheduled to be completed this month).

TREASURER'S REPORT

Ms. Ovalle reported the following:

Based on the Financial Report of 06/30/2022, the year-to-date Reserve Fund balance is \$2,212,061 and the year-to-date Mutual Operating Fund ending balance is \$451,130. Working Capital is \$366,303. This number includes some \$94,463 of Accounts Receivable some of which are significantly past due. With the winding down of Covid and the lifting of collection restrictions, it is now possible to increase collection efforts and to that end, the Board has engaged a new collection agency.

The Reserve Fund shows an excess of Revenue over expenses of \$73,647 YTD as of June 30,2022 and an earnings deficit for the month of June of \$179,106 due largely to costs associated with the roofing project that has been discussed earlier in this meeting. It is noted that for Fiscal 2022, an earnings deficit of \$232,597 had been projected so this deficit is not entirely unanticipated.

The Operating Fund shows an excess of revenue over expenses of \$57,979 for June YTD and an excess of earnings over expenses of \$20,894 for the month.

On a YTD basis on June 30th, Insurance, Professional Services, and Pest Control were higher than budgeted. All other expense categories came in close to or under budget.

Suspected shortfalls

There are some significant expenses, however, that have been incurred but are not yet recorded. These include the cost of the reroofing project which is materially over budget in the Reserve Fund account. Additionally, the cost of tree removal, when recorded, will fully use the remaining budget in this category. It is possible that the deficit in the Reserve Account may be higher than projected for Fiscal 2022 given unforeseen circumstances that could arise in the next six months of the year.

2023 Budget

We are about to begin the 2023 budget process which will involve working with MOD to arrive at realistic numbers for Fiscal 2023. The biggest unknown that could have a material adverse impact on the budget is the cost of insurance. GRF is working presently with insurance representatives to study various alternatives to the type of insurance that is presently in force. Another unknown is price increases for materials and labor that will affect most of the expense categories of the Mutual. The situation is further exacerbated by anticipated increases in water and power.

Despite all of the cautionary comments above, the Mutual is in solid financial condition and well-positioned to address the challenges of the coming year.

LANDSCAPE REPORT

Mr. Tawaststjerna reported the following:

MOD Days

- 10/24 – 10/31 (9 total workdays)

o Plant replacements

- Please submit all plant replacement requests by October 1st
- Email plantreplacement@rossmoor.com
- Alternatively, please use the form link below for requests

- <https://forms.gle/XsmbyaCMRiVxoB877>
- Lawn removals in Skycrest Entry 8 & Pine Knoll 7A

Landscape Work Completed in 2022

- Rehabs
 - Entry 11 & 15 rehab
 - Entry 3B juniper removal and planting rehab
 - Entry 3B lawn removal
 - Mulching of Skycrest Entries 11-17
- Tree Work
 - Redwood removals at 2100 Skycrest
 - Yearly pruning for health, safety, and building clearance by Waraner
 - Monterey Pine removal at 1941 Skycrest
 - Oak pruning at 1109 & 1133 Skycrest
 - 2152 Tice Creek building clearance pruning
 - Redwood removals at 1413 Skycrest

Budget

- Landscape Rehab
 - Total Budget - \$68,000.00
 - YTD = \$54,286.16
 - Remaining = \$13,713.84
- Tree Maintenance
 - Total Budget - \$40,625.00
 - YTD = \$41,345.00
 - Remaining = -\$720.00

MOD

Mr. Donner reported the this is a very challenging year regarding insurance. It is very complicated. The Carriers are skittish about insuring wood frame structures. There may be a 55% increase. With the commission rebate, it may be an increase of 47%. The deductible has ben \$250,000, but it may now be \$1 million minimum. Brokers are not insuring at a full replacement value because it can be risky. Mutuals can keep the \$250,00 and consider purchasing another layer of insurance for an additional \$5 million. They are still talking to the broker.

MEMBERS' FORUM

Resident volunteered to chair the Trash Committee. She already has 4 other volunteers. **Resident** asked Mr. West how to find out if her balcony and roof were inspected. He advised her to email him.

Resident reported that since some trees have been removed, she has no shade and the temperature is higher in her house. Ms. Brown stated that they will plant in the fall.

Resident reported that she has nails in the patio from the former resident above her. Ms. Brown advised her to email her Bill Parsons, Paul Donner, or herself.

Resident asked if everyone in the Mutual is paying when someone charges their vehicle.

Ms. Brown replied yes, but they are asked not to charge in the Mutual.

Resident stated that there are laundry dryers in their units. Mr. West reported there are some alteration laundries. Mr. West is working on getting a report for electrical panels. The original panel is the Mutual's responsibility.

Resident reported that some trees were taken down, but Mr. Tawaststjerna may not have them on his list. Mr. Tawaststjerna stated that they can do tree replacements if it is an acceptable area. Ms. Seldon stated they do not usually know when the trees will be taken down. She also reported that some lawns will have to be removed. The lawns use up too much water, maintenance, etc.

Resident reported that his goal is to send one newsletter per month with Constant Contact. He noticed that some residents do not even open the newsletter. Comments are welcome.

Resident stated that she was not home when they checked her circuit panel. Mr. West advised her to email him or the work order desk.

Resident stated that her water was turned off and when it was turned back on, it was rusty. Mr. West reported the horizontal lines were replaced, but not the vertical ones. They are the Mutual's responsibility.

Resident reported that she does not have a green bin in her entry. She puts food down her disposal. Ms. Brown reminded her that she can take it to any entry.

Resident asked that someone come and look at trees in his entry. Large redwood trees are close to the unit.

Ms. Ovalle reported that they will have a letter and a form for providing your email address and will leave it at the doors of those that have not signed up for Constant Contact.

Ms. Brown appointed Anne Paone as Chair Pro Tem for the Organizational Meeting to follow this annual meeting.

ANNOUNCEMENTS

Ms. Brown announced that next Board meeting will be held on Monday, September 19, 2022 at 1:30 p.m. via Zoom.

Ms. Brown thanked everyone for attending the annual meeting.

ADJOURNMENT

Having no further business, the Twenty-Second Annual Meeting of Members adjourned at 3:44 p.m.



Anne Paone, Assistant Secretary
Fourth Walnut Creek Mutual