

MINUTES
FOURTH WALNUT CREEK MUTUAL

TWENTIETH ANNUAL MEETING OF THE MEMBERS
THURSDAY, AUGUST 27, 2020 AT 1:30 P.M.
Via ZOOM

The Twentieth Annual Meeting of Members was convened by President Vicki Swisher on Thursday, August 27, 2020 at 1:30 p.m. via ZOOM.

ROLL CALL: PRESENT: Vicki Swisher President
 Linda Brown Vice President
 Carolee Perrich Treasurer
 Pamela Ovalle Secretary
 Sheldon Schwartz Director

ABSENT: None

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

It was determined that a quorum was reached with 58 residents present. Representation by 58 member households was needed for a quorum.

Ms. Swisher welcomed the many members of 4th Mutual to the Twentieth Annual Meeting.

Ms. Swisher introduced the Board of Directors as follows: Vice President Linda Brown, Secretary Pamela Ovalle, Treasurer Carolee Perrich, Director Sheldon Schwartz, and herself Vicki Swisher, President.

She continued by stating that supporting the Board throughout the year are representatives from MOD, Paul Donner Director of Mutual Operations, Rick West Building Maintenance Manager, Rebecca Pollon Landscape Manager who was unable to attend today's meeting, and Assistant Secretary Anne Paone. Without the expertise and daily support of these individuals, the Board could not complete its duties. I want to thank all of you for your outstanding work during the past year with a special thanks to Anne Paone who ensures the Board operates in accordance with the California HOA laws and assists in our many day-to-day administrative requests.

CERTIFICATION OF NOTICE OF MEETING

Secretary Anne Paone certified that notice of the annual membership meeting was published in the *Rossmoor News* on August 12 and August 26, 2020 and a notice was mailed to the membership in accordance with Article 4, Section 4.3 of the Bylaws of the corporation.

APPROVAL OF THE MINUTES

President Swisher asked for any corrections or additions to the last Annual Membership

Meeting held on August 1, 2019. She asked for a motion to approve the minutes. A motion was made, seconded, and carried.

President Swisher asked for any corrections or additions to the last Annual Organizational Meeting held on August 1, 2019. She asked for a motion to approve the minutes. A motion was made, seconded, and carried.

ELECTION RESULTS

Anne Paone reported there were two positions on the Board of Directors in this year's election. Incumbents Linda Brown and Sheldon Schwartz declared their candidacy by the deadline of July 6, 2020 and were determined eligible to run. No other candidates came forward.

Pursuant to Section 6.3 of the Bylaws, Ms. Brown and Mr. Schwartz were declared elected by acclamation of the membership.

SUMMARY OF YEAR'S ACTIVITIES - Vicki Swisher

- Building Maintenance
- Technology and Preventive Maintenance Task Force
- Landscape and Grounds
- Policy Revisions
- Communications

Ms. Swisher gave her report as follows:

SUMMARY OF YEAR'S ACTIVITIES

During the past year Building Maintenance activities were divided between emergent work and scheduled maintenance. Emergent work was generally a result of work orders placed by residents and the Board for unscheduled activities required to maintain Mutual property and eliminate safety hazards. Much of last year's emergent work was directed at sidewalk repairs, elimination of irrigation system leaks, drainage issues, dead tree or branch removal, minor exterior carpentry repairs, touchup painting, bulb replacement on exterior lighting, and minor water leaks. MOD Building Maintenance responded to approximately 300 of these types of work orders during the past year.

Scheduled maintenance activities involved large projects that required repair or replacement of Mutual property in accordance with our Reserve Study. By California law, Fourth Mutual must engage an independent company to prepare a Reserve Study that identifies a) all major Mutual property components such as roofing, exterior siding, stairways, asphalt, concrete, and drainage, b) estimate the cost to repair/replace these components, and c) determine their remaining life span.

In order to identify and schedule these activities, the Board worked with MOD Building Maintenance during the third quarter of last year to review and update the Reserve Study. This ensured that the reserve budget was adequate to support this work scheduled for 2020. In addition, MOD Building Maintenance and the Technology and Preventive Maintenance Task Force continued working together to identify materials and installation techniques that are likely to add longevity between component repairs and ultimately reduce maintenance costs.

Eight major projects were completed during the past year or are currently in progress:

- Exterior electrical panel and outlet inspections were completed at the end of 2019. This task is required by the Reserve Study every 8 – 10 years. The external inspections entailed checking electrical outlets in carports and performing maintenance on the external breaker panels that supply electricity to our buildings, carports, and outdoor lighting. As part of these inspections, the electricians replaced the existing outlets with GFCI receptacles, checked for grounds, inspected breakers, and lubricated wiring connections. Internal electrical inspections are also required. You may not know, but the breaker panels within your manor are also the responsibility of the Mutual. Inspection of the internal panels were stopped due to COVID-19 concerns. The electricians have recently been instructed to proceed with the internal panel inspections if the manor residents are comfortable with them entering the manor. Otherwise the work will be completed after the current COVID-19 rules are lifted.
- The re-roofing of 1401 Skycrest Drive with new PVC type roofing material was completed in November 2019. This project was scheduled as part of the Reserve Study since the existing roofing material was tar and gravel. The new type of roofing material was identified in a joint effort between MOD Building Maintenance and the Technology and Preventive Maintenance Task Force. It is important to note that the new roofing material has a 30 year warranty instead of the normal 15 to 20 years at a minimal additional cost.
- Phase I of the Dry Rot Repair Project was completed in October 2019. This Phase included Skycrest Drive Entries 1, 3, 7, 8, and 9. The damaged wood panels were replaced with a better siding known as “Smart Panel” wherever possible since it has greater longevity against dry rot. Minor architectural changes that reduce moisture buildup underneath the siding were also implemented.
- Since the Phase I Dry Rot Repair Project came in under budget, the Board requested MOD start Phase II start as soon as possible. The Technology and Preventive Maintenance Task Force walked down the Mutual property in Entry 10 in October 2019 with MOD to identify wood rot and painting issues. Based on the results of the walk down, the Board approved a budget of \$32,600. The work was completed in Entry #10 in May 2020 following a two month shutdown due to the COVID-19 considerations.
- Continuing with the Phase II Dry Rot Repair Project, the Technology and Preventive Maintenance Task Force walked down the Mutual property in Entries 11 and 12 in early March 2020 with MOD to identify wood rot and painting issues. Based on the results of the walk down, the Board approved a budget of \$33,000. This work is still in progress.
- Six concrete replacement projects were completed during the past year. Each of these situations involved sections of sidewalk that posed a tripping hazard to residents. One other project in front of 2108 Tice Creek has been approved and will commence shortly. Another project involving the replacement of concrete within a carport in Entry #13 is in the bid process. This project will be extensive since it requires temporary roofing supports while the concrete work is underway.
- 40 feet of sewer line adjacent to building 1413 Skycrest Drive was relocated in April 2020 due to tree roots continuously blocking the line. This was a major effort because all of the building utilities were buried in the same area. A mushroom cap for backflow prevention was also added to ensure sewage cannot enter the building in case of future line blockages.
- The replacement of the main water line piping from galvanized to copper is still underway in five G-11 buildings. Although the contract was awarded to Davis Plumbing at the July 2019 monthly Board meeting, work is still in progress. Only building 1509

Skycrest Drive has been completed. The other six buildings 1133, 1309, 1901, 1933, 1940, and 1941 have the new copper piping staged, but not connected to the building. During final installation, the water must be shutoff to the building for 8 – 10 hours. Often after the new piping is filled and the water pressure / flow increases, residents find that many of their angle stops and filters immediately become plugged with debris. The plumber is instructed to clear these blockages and, in some cases, replace the components. However, this requires entry into each manor for extended periods of time. Due to COVID-19, the Board suspended further work on this project from March through July 2020. At the July 2020 Board meeting, the Board approved continuing with this work as long as all of the residents of a particular building are comfortable with the water shutoff and entry into their manor by plumbing personnel. Davis Plumbing will be asking residents for approval before proceeding. The installation of the new copper piping coupled with a new design provides the following benefits:

- Multiple water shutoff valves per building.
- Improved water flow and pressure, and a reduction in discoloration.
- Hose bibbs attached to the main water line which permits backflow clearing of debris from the vertical galvanized lines as needed.

In addition to working with MOD Building Maintenance, the Technology and Preventive Maintenance Task Force has completed the following initiatives during the past year in an effort to extend the life span of Mutual property and reduce the number of repairs required:

- An annual sewer line inspection program was established. This entails proactively clearing 10 sewer lines each month and performing a video camera inspection of the lines to determine degradation and root intrusion. The program is scheduled to complete cleanout and inspection of all Fourth Mutual sewer lines each year. To-date, this program has identified some building locations that were not constructed with adjacent sewer cleanouts, lines that do not have backflow prevention, lines that have partially collapsed over time, and lines that require replacement due to tree root damage. The primary purpose of this program is to eliminate issues with sewer line blockage and backup. The Task Force requests that residents do not flush anything down the sewer lines other than toilet paper, Kleenex, and human waste. Disposable wipes should not be flushed down the toilet because they get caught on tree roots extending into the lines and take many weeks to dissolve, unlike toilet paper and Kleenex.
- A monitoring program was established to determine life span and levels of degradation of the PVC vinyl doors and siding installed on two trash enclosures. Since PVC is less expensive than wood, requires no maintenance, and is impervious to dry rot, the Task Force is interested in determining viability for future trash enclosure repairs. To date, there has been no noticeable degradation of materials or damage from landfill carts being rolled in and out of the enclosures. As a result, the Task Force will be asking the Board to approve further installation of PVC siding on trash enclosures.
- A spreadsheet and procedure was developed for measuring the water pressure and evaluating the condition of water pressure regulators on each of our 59 buildings. This program was put in place to ensure that we do not have over pressurization of our domestic water lines.
- The Task Force worked with MOD and contractors to ensure Pex water piping is installed in attics and eaves when replacing under slab leaking water pipes. This eliminates jackhammering slabs and makes the piping more accessible for future inspections and repairs.

- The list of components in the 2020 Helsing Reserve Study Report was reviewed to determine any errors and omissions, and to identify any components that could have an extended life span. These results were discussed with Helsing personnel and included in their 2020 site inspection.

Other activities regularly performed by the Task Force included:

- Maintaining the catch basin screens.
- Identifying the location of catch basin drainage lines and their condition.
- Monitoring common areas for drainage and erosion issues.
- Inspections of building exteriors to identify emergent repairs.
- Continuously researching new building materials and techniques.

Landscape Committee projects during the past year included landscape rehab, tree maintenance, irrigation, and fire abatement. Major projects completed included:

- Installation of 400 cubic yards of composted mulch to keep the weeds down and feed the soil. The mulch was placed in front of buildings and open spaces in all entries. The mulching project cost approximately \$5000 which is significantly less than the cost of standard commercial mulch. The Landscape Committee plans to refurbish this mulch every two years.
- Removal of four lawns in front of Skycrest Drive Entries #12 and #14. Fourth Mutual received a rebate of \$1950 as a result of converting these areas from lawn to plants, shrubs, and mulch.
- Planting 106 1 gallon shrubs on the hillside behind Skycrest Drive Entries #13 and #16 to replace previously removed rosemary plants and to prevent hill erosion.
- Planting numerous shrubs and a few small trees on the hillside between Skycrest Drive Entries 8, 9, and 10.
- Removing various dead or dying trees and performed yearly pruning as part of the tree maintenance program.
- Performing the 2020 fire abatement tasks that included mowing down all dry grasses within 150 feet of affected Fourth Mutual buildings which is 50 feet beyond the 100 feet required by the county, removing juniper plants at various locations throughout the Mutual, removing the dried rosemary bushes from the hillsides behind Skycrest Drive Entries #13 and #16, and 17, and pruning low tree branches that could contribute to a ladder fire. In December 2019, Fourth Mutual received a \$5000 rebate from Contra Costa County for their 2019 fire abatement efforts.
- Replacing the remaining irrigation controllers that were older than 10 years. No further replacements is required until 2023.

Also, Linda Brown became Fourth Mutual's Landscape Liaison. Any landscape questions or comments should be directed to her.

During the past year, the Policy Committee prepared two new Fourth Mutual policies. Solar Policy 1.9 was issued to the residents for comment in September 2019 and approved by the Board in October 2019. The solar policy proved challenging because of the following issues:

- No solar vendors were willing to provide the Mutual with an independent solar site survey. Therefore, it became the responsibility of the Mutual to verify individual vendor solar site surveys using Goggle Earth.
- Solar vendors vary widely in their approach to panel installation. As a result, the policy had to contain numerous details regarding installation and maintenance of the panels

and supporting components to ensure they would not promote roof deterioration or cause water leakage.

- The new solar policy needed to cover all aspects regarding infringement on other manor owners in the building (e.g., if the panels are over their part of the roof, they cannot install skylights or solar panels in the future).
- Governance regarding the installation and maintenance of lithium batteries had to be included in the policy to avoid potential fire and insurance issues.

Due to the passage of Senate Bill 323, the Policy Committee was required to update the election rules contained in our policies. This effort had to be completed before Fourth Mutual could hold the 2020 Board elections. The new Election Rules Policy 10.6 was issued to the residents for comment in April 2020 and approved by the Board in May 2020. The primary changes to the election rules involved candidate qualifications, the nomination process, and a requirement for an Inspector of Elections that is not employed by MOD. The Bylaws are currently being updated to incorporate the changes required by SB 323.

Carl Brown, our webmaster, also became chairperson of the Communications Committee during the past year. He worked diligently over the past few months and unveiled an upgraded website. The ultimate goals of the upgrade were to make the website more informative and user friendly to residents. Ultimately the Communications Committee and the Board would like to eliminate the need to mail paper copies of newsletters and notices to residents with computer access. The Communications Committee and the Board encourage our residents to become familiar with the website at www.4WCM.com. Once the new electronic communications policy is implemented, the Board plans to regularly use this site to post Mutual bulletins and other important notices to permit timely transmittal of Mutual information to residents.

The Architectural Control Committee reviewed approximately 40 alteration requests during the past year. The majority of the requests were approved outright or approved with comments. Of particular interest was an alteration request to install hard surface flooring in an upstairs manor due to a dust allergy. Since this request violated Mutual governance, the Committee and the Board reviewed the Fair Housing Act to determine whether the allergy condition was an adequate basis to provide a variance. The law only indicated that some level of compromise was preferable, but unless the condition was life threatening, permission to install hard surface flooring should consider the negative impact to the residents living below. The Committee and Board determined that an independent acoustical engineering company needed to perform noise measurements with carpet and various hard surface flooring to provide a basis for a decision. The results showed that hard surface flooring, regardless of underlayment, transmits 50% to 100% more noise to the lower manor than padded standard carpet. As a result, there was no changes to the Mutual governance.

In addition to these six committees, we also have individuals supporting the parking committee and emergency preparedness.

I want to take this opportunity to thank all of the committees for their excellent support. Anyone interested in volunteering for one of these committees, please call or email a Board member.

In closing, I would like to express my thanks to the Board, our committees, and MOD for continuing to support Mutual business during this COVID-19 pandemic. Except for a missed Board meeting in March and a partial shutdown of MOD during a few weeks in March and April, Mutual business has been able to continue. I think that I speak for all of

the Board in hoping that Mutual activities return to normal by early next year, although the Board has come to enjoy conducting meetings without leaving the comfort of our homes.

TREASURER'S REPORT

Ms. Perrich reported the following:

Status of Financial Account

Based on the Financial Report of 07/31/2020, the year-to-date Reserve Fund balance is \$1,784,419 and the year-to-date Mutual Operating Fund ending balance is \$69,022.

The Reserve Fund shows an excess of Revenue over expenses of \$34,897 the for the month of July and an excess of Revenue over expenses for year-to-date of \$188,741.

The Operating Fund shows a deficiency of revenue over expenses of \$7,456 for July and an excess of Revenue over expenses for year-to-date of \$43,340.

During July **Insurance, Utilities, Professional Services, and Taxes** were higher than budgeted. **Building Maintenance & Public Works, Landscape Maintenance, Custodial Services, and Other General & Administration** had expenditures that were less than budgeted.

Suspected shortfalls

Once again, we had large increases in insurance premiums. The 2020 premium was 49% higher than 2019. We had to borrow from the reserves to pay our premium. To be in compliance with state law, we are now working on repaying the reserves from the operating funds.

Increases in utility costs and other operating expenses are anticipated for 2021.

2021 Budget

We recently began the 2021 budget process. All board members have met (via Zoom) with MOD accounting personnel and building maintenance for the first stage of the 2021 budget process. Other meetings are scheduled. The anticipated increased costs will be taken into account in the 2021 budget.

Mr. Schwartz moved to certify the Board's compliance with Civil Code Section 5500 for July. Ms. Ovalle seconded and the motion carried without dissent.

MEMBERS' FORUM

Resident asked when copper piping will be connected.

Ms. Swisher reported to connect will mean turning the water off to the entire building. Often the unit must be entered. Davis Plumbing has been told to move forward, but only if everyone in the building agrees.

Resident mentioned that landfill containers smell.

Ms. Swisher reported that Nice Cans cannot clean them, but she will confirm.

Resident asked what the 2021 coupon will look like.

Ms. Swisher reported the Board is trying to minimize what they can. SB326 (balcony inspections) will impact the Mutual. They will do in 4 phases. Insurance went up 150% in

the past 3 years. They anticipate a 31-35% increase. Interest rates are too low to make any money on reserves.

Resident reported that someone throws broken beer bottles in plastic bags. The liquid ran towards the door. It is sticky and smelly.

Ms. Swisher reported she should call MOD work order desk and they might be able to clean.

Mr. Donner reported that they only clean the laundry rooms.

Resident asked about what to throw in each bin.

Ms. Swisher will speak to Carol Weed (Trash Talkers) for some clarity.

Resident said the instructions hanging in the enclosure are not current. How do new residents know what to do?

Ms. Swisher reported that the Rossmoor phone book has information which includes recycling. New residents are directed to look at that.

Resident stated her husband is a graphic designer. If the Board sends him information, he can set up correct posters.

Ms. Pollon stated the www.RecycleSmart.org has very good information.

Ms. Brown reminded everyone that MOD takes cardboard and batteries.

Resident stated that caretakers and assistants can be a problem regarding sorting of trash.

Ms. Swisher will inquire how resident can get phone book with Gateway closed.

Resident asked about solar policy and responsibilities.

Ms. Swisher explained briefly advising resident they are responsible for panels, even if there is a fire. They need \$1 million in insurance.

Resident stated that she shreds all credit card slips and puts them in landfill.

Resident asked if anyone else uses an air purifier.

Ms. Swisher reported that scams are increasing during COVID-19. Members' contact lists have been hacked. If you hold your cursor over the name, you will see the entire address of the sender. This can be a tip-off if it isn't real. Never click on attachment or link.

Mr. Brown reported that there have been changes to the website. One quick click will get you on Zoom. Added feature to the site to issue bulletins.

ANNOUNCEMENTS

Ms. Swisher announced that next Board meeting will be held on Monday, September 21, 2020 at 1:30 p.m. via Zoom.

Ms. Swisher thanked everyone for attending the annual meeting.

ADJOURNMENT

Having no further business, the Twentieth Annual Meeting of Members adjourned at 3:42 p.m.



Anne Paone, Assistant Secretary
Fourth Walnut Creek Mutual