

MINUTES
FOURTH WALNUT CREEK MUTUAL
MONDAY, APRIL 20, 2020 AT 1:30 P.M.
ZOOM MEETING

President Swisher called to order a regular meeting of the Board of Directors of Fourth Walnut Creek Mutual at 1:30 p.m. on Monday, April 20, 2020 via ZOOM.

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

ABSENT: Linda Brown, Vice President

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

Ms. Swisher welcomed 4 residents in attendance.

APPROVAL OF CONSENT CALENDAR

*Mr. Schwartz moved to approve the consent calendar with the minutes listed as follows: February 18, 2020: Regular Board Meeting
February 12, 18, 24, March 23, April 6, 2020 Executive Session
Ms. Perrich seconded and the motion carried without dissent.*

RESIDENTS' FORUM

No comments or questions.

MANAGEMENT REPORT

Mr. Donner reported on the mandated Shelter-in-Place. On April 3rd work done by building maintenance was eliminated except for essential services. Only those that couldn't be reasonably delayed continued. Carpenters, roofers, and painters are doing disinfecting of trash enclosures and daily cleaning of laundry rooms. Mr. Donner reported that he believes that building maintenance can no longer be delayed. It may gradually be brought back. He is waiting to hear what the Governor says on May 4th. MOD is responding to plumbing leaks and doing smoke detector tests. Landscape has reduced some level of work. Resale/Alterations are on hold. Member Records is open for business, but the doors are closed to all but staff. Home sales are continuing. They are collecting fees for inspections, but the inspections are being done yet.

PRESIDENT'S REPORT

- As part of Ms. Swisher's report, she has provided each Director and Paul Donner a handout detailing the highlights of the February and March President's Forum. In order to expedite the meeting, she waived reading the entire handout during

these proceedings and only listed the main topics. These included collection of Owner Billables, retaining an Inspector of Elections, hard surface acoustical testing, proposed GRF Trust revision, Members with multiple occupancies, Mutual 4 preventive maintenance programs, and acclamation voting. See complete report as follows:

Highlights of February 2020 Presidents' Forum

- The Presidents discussed issues associated with Owner billable work coordinated and/or performed by MOD. Most notable were delays in billing the Owner until work is completed by all contractors and disputes by the Owners regarding all of the charges. Both of these issues typically result in delays in payment to the Mutual. Vicki Swisher explained that Mutual 4 has an Owner Billable Confirmation letter that Owners are requested to sign prior to any work being performed. The letter specifies that the Owner is responsible for the cost of the work.
- One of the Presidents asked if other Mutuels had started the process of selecting an Inspector of Elections. Most Mutuels had not selected an Inspector. Items discussed were whether Members in the Mutual or another Mutual could be an Inspector of Elections. Issues that could impact using a volunteer was the potential liability issue and the one year period of time the Inspector must retain the election materials. It was pointed out that the new election rules require the Board of Directors must, at an open meeting of the Board, select either one (1) or three (3) persons as Inspector(s) of Election prior to the date ballots are first sent out.
- The President of Mutual 4 provided results of the hard surface flooring acoustical test performed in a second story manor. The test indicated that noise measured in the lower manor was almost twice as loud with hard surface flooring than carpet. The test was performed using one of the highest quality luxury vinyl flooring with the highest rated underlayment versus standard carpet and pad. Most of the Mutual Presidents requested a copy of the test report.
- The Sustainable Rossmoor Water Conservation Committee sent an email to the Presidents Forum requesting if each Board would be willing to provide the committee with contact information for their landscape representative. Each President will take action separately.
- Chris Preminger, Business Operations Manager, explained that there are 54 cases of where one Owner is listed as occupying more than one manor. Mr. Preminger has sent a letter to each of these Owners to determine whether these Owners actually occupy multiple manors.
- Tim O'Keefe, GRF CEO, discussed proposed revisions to the GRF Trust agreement to bring it up to date. The Trust Agreement was originally written in 1964 and has various sections that are not entirely compatible with the way we do business today. Any revisions to the Trust will require unanimous approval by the Mutuels.

Highlights of March 2020 Presidents' Forum

- The Presidents discussed progress on selecting an Inspector of Elections. Anne Paone provided Mutuels Boards with a list of some California companies offering these services. Also, preliminary results indicate that a Mutual's liability insurance

will protect the Inspector of Elections. Mutuals presidents cited a potential cost of \$500 to \$2000 for services from an independent company. Most Mutuals agreed

that asking a member of another Mutual to act as Inspector was probably not a good idea since the new election rules were quite complex and require the Inspector to maintain voting records for a year after the election.

- The President of Mutual 4 shared information regarding two of their preventive maintenance programs. Details of the sewer cleanout and inspection program was provided. Ms. Swisher indicated that running a camera through the lines was providing important information needed to determine repair strategies. The water pressure inspection program is also underway in Mutual 4. Data collected during inspections include adequacy of water pressure entering buildings and condition of water pressure regulators.
- The Presidents discussed whether their Mutual was going to continue using acclamation voting when the number of candidates equaled the Board vacancies. Most Presidents stated that they planned to follow the recommendation of their attorney. The President of Mutual 61 pointed out that spending monies for secret ballots when an acclamation vote would end in the same result was poor fiduciary judgement even if SB323 implied secret ballots were required.
- Ms. Swisher reminded the Board that the new election rules require the Board of Directors select either one (1) or three (3) persons as Inspector(s) of Election at an open meeting prior to the date ballots are first sent out. This means that the Board needs to vote on an Inspector of Elections at the May 8 Special meeting immediately after we approve the new Election Rules Policy. She emailed the Board yesterday information on some potential companies.
- Because of the problem last month where a trespasser was found in the crawl space under 2128 Tice Creek Entry A, Ms. Swisher researched the possibility of replacing the aluminum screen doors with lockable solid core doors. MOD indicated this could cause a ventilation problem under the building. The Contra Costa Fire Department also preferred that the Mutual not install these types of doors with locks since the main electrical breakers for the building are in the crawl space. Adding more secure locks to the screen doors also impede the fire department. Mr. Schwartz asked to be on record that he thinks it should be locked up.

Mr. West reported that some things were found under the building and removed. Someone had put a lock on the door and threw away the key. Mr. West told 5-Star to cut the lock because there was no key. They will install a new hasp and combo lock. The fire department will have the combination. Mr. Schwartz agreed to this action. The door is under the crawl space. Ms. Swisher asked that the combination be provided to the Board.

- Along those same lines, the lock boxes and door keys for the laundry rooms in Tice Creek Entry A are not being used at this time because of Covid-19 concerns.
- The article regarding essential services being provided by the Mutual during the Stay-In-Place order was posted April 17 on the Mutual 4 website (www.4wcm.com). Any of our projects that require entry into a manor, cause

undue noise, or require utilities to be shutoff for any period of time have been postponed.

TECHNOLOGY AND PREVENTATIVE MAINTENACE TASK FORCE

- Ms. Swisher provided each Director and the MOD Representatives a handout detailing the highlights of the activities performed during the past two months. In order to expedite the meeting, she waived reading the entire handout during these proceedings and only list the main topics. These include drainage issues, sewer inspection and repairs, and water pressure tests.

See complete report as follows:

Last Month's Activities:

- Continued drainage program by clearing debris from catch basins and drain pipes and removing debris from wire mesh, as needed. The wire mesh installation has proven to be very successful and shows little degradation after almost two years.
- The sewer line inspection program has been underway for almost four months. 10 sewer lines are cleaned and inspected for degradation each month such that all lines are completed each calendar year. The program has identified some lines with blockage due to household debris or roots. The sewer line connected to 1413 Skycrest Drive was found to have major degradation due to intrusion from tree roots. The Board agreed that the best course of action was to re-rout the line. Also, a backflow prevention cap was added to the line. Other issues include missing cleanouts which impedes future elimination of clogged pipes. The Board has asked for bids on this work.
- The Task Force developed a spreadsheet for measuring the water pressure and evaluating the condition of water pressure regulators on each building. A contract was awarded for this work and is currently underway.
- Continued to evaluate EBMUD water reports for Mutual 4 to identify evidence of major underground water leaks.
- Continued researching potential new materials or techniques for repair/replacement of degraded gutters.
- Responded to owner questions regarding potential alterations and structural issues.

Activities Scheduled for Next Month:

- Continue ongoing activities listed above (drainage inspections, water reports, dry rot inspections, etc.).
- Continued the draft of the Mutual 4 electrical vehicle charging policy. The policy covers both the use of carport 110 outlets and owner installation of a charging station.

Activities Postponed Until the Stay-In-Place Order is Lifted

- Walk-downs of Entries #11 - #17 to identify major dry rot damage that may need to be added to the current replace/repair project.
- Reviewing the Condominium Design Drawings located at MOD to identify drainage, irrigation, and structural details.
- Performing general inspections of sidewalks, building infrastructure, and hill erosion.

Open Items:

- None

TASK FORCE ON PARKING

- Progress Report - None; Board requesting volunteer Chairperson
- This Task Force is currently idle and no new issues have been identified.

LANDSCAPE AND GROUNDS, FIRE CLEARANCE

Ms. Pollon reported that they are mowing lawns every other week. They may continue doing so. Rehab MOD day will be affected and the Board will be advised of the new schedule at a later date. Tree work is not permitted unless it is for safety or is a fire hazard.

Mr. Schwartz moved to approve Terra Landscape's proposal to install 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 for \$5,660. Ms. Perrich seconded and the motion carried without dissent.

Ms. Ovalle moved to approve Waraner's proposal to perform yearly tree pruning to ensure 6' – 8' of building clearance for \$13,125. Ms. Perrich seconded and the motion carried without dissent.

Ms. Ovalle moved to approve Waraner's proposal to problem or dying trees for \$13,925. Mr. Schwartz seconded and the motion carried without dissent.

Ms. Pollon reminded the Board that trees that are removed need to be replaced, but not always where they were removed.

BUILDING MAINTENANCE REPORT

- Ms. Swisher reported the Board discussed the Five Star proposals for adding sewer cleanouts to nine of our buildings based on the preventive maintenance inspections to-date. The Board is concerned about our budget for the year and is unwilling to approve the sewer cleanouts if at least one already exists. However, there are four buildings with no cleanouts. Five Star indicated that the only way to inspect / clean these lines usually requires removing of a toilet in one manor or entering the system from the roof vent. Both of these methods are expensive and can impact manor owners. As a result, the Board is interested in installing cleanouts on these four buildings if the waste line can be located from a manhole.

Mr. Schwartz moved to approve Five Star's proposals to install a double sewer line cleanout for buildings 2108 Tice Creek, 2120 Tice Creek, 1149 Skycrest, and 1201 Skycrest as long as the line can be located from a manhole for \$22,280. Ms. Perrich seconded and the motion carried without dissent.

- The Board would like to request that MOD complete the dry rot repair on the stair railings connecting Entry #11 and Entry #14. The current condition of the railings poses a safety issue. Mr. Donner agreed this is essential work and Mr. West said the work would proceed on April 21.
- The Board would like to have Davis Plumbing continue with the staging of the copper pipes in the remaining buildings so implementation can take place immediately after the Stay-In-Place order is lifted.

Ms. Ovalle asked Mr. West about Davis Plumbing doing the staging. Davis is doing another project right now instead of finishing this project. Mr. West reported they were unclear about the Shelter-in-Place orders. Mr. West told them to come back. He has had some difficulty in communicating with Davis Plumbing.

- The resident at 1509 Skycrest Drive #1 has notified the Board of low water flow in her manor. Since the building already has the new copper pipes, the cause is probably clogged angle stops. Since the owner is not currently residing in the manor and replacing the angle stops will require water shutoff to the building, this work should be delayed until the Stay-In-Place order is lifted.
- The Board previously approved two maintenance contracts in Executive Session to enable the work to proceed. These contracts need to be ratified in open session.

Mr. Schwartz moved to approve Five Star's proposal to re-route the sewer line exiting 1413 Skycrest Drive due to tree root issues for \$20,800. Ms. Ovalle seconded and the motion carried without dissent.

Mr. Schwartz moved to approve MOD's proposal to continue Phase II & III of the dry rot repair project for \$32,315. Ms. Ovalle seconded and the motion carried without dissent.

Mr. West reported as follows:

PENDING ITEMS: Proposal Review and Board Approval

1. Sewer line cleanout installation for nine buildings including: 1149, 2128, 1201, 1101, 1133, 2120, 1209, 2144, 2109. Contractor: Five Star Estimated Cost \$41,480.00.
(Proposal presented to the board for approval).

INFORMATION ITEMS: Work scheduled in progress or completed.

1. Annual Sewer line drain preventive snaking - Includes using video camera in lines .
Five Star will complete ten buildings per month for \$2,100.00.
Annual cost \$12,600.00.
(Work is in progress).
2. 1413 SC Sewer line Rerouting – Installation of 40 feet of new ABS sewer line due to damage from Large redwood tree roots.
Contractor: Five Star Estimated Cost \$20,800.00.
(Board approved on 4/6/20 Project in Progress).
3. 2019/2020 Phase II Dry Rot and Painting Project – Contractor: MOD
This project will include repairs and paint to 18 Buildings and 12 Carports.
This will include entries 10 and 11 Skycrest Dr.
The Board has approved NTE \$32,600.00 to complete entry 10 first.

Total YTD Costs - Carpentry rehab \$158,614 Balcony rehab \$29,167
Paint \$20,600.00.

(This project is scheduled to start up again after the SIP has been lifted
- Excluding the need to repair Safety or Hazardous conditions).

4. Exterior Electrical panel and carport inspections (Work has been completed).

Interior electrical building and unit panels inspections - Contractor: Sang Electric

(This project is scheduled to start up again after the SIP has been lifted).

5. Installing new Main Line Galv. to Copper piping on seven G – 11 Buildings. Contractor: Davis Plumbing – 1509 is complete/ 1901 is piped and needs change over / 1933 is piped and needs change over / 1133 has been started / Buildings Remaining -1940 SC / 1941 SC / 1309 SC. Working with Joe to complete staging.

(This project is scheduled to start up again after the SIP has been lifted).

6. 2109 SC #7 – Rear Deck Excel Coating – Contractor: A One Construction. Cost \$5,396.00.

(This project is scheduled to start up again after the SIP has been lifted).

Mr. West reported that Sang cannot do any interior work until the Shelter-in-Place is lifted.

Ms. Swisher advised Mr. West that 2109 Skycrest #7 needs to have the deck finished with the epoxy. The resident is moving in tomorrow. The only issue is the edge of the sliding glass door. The owner's contractor did not install the flashing correctly. Mr. Donner reported that this is considered essential work. Mr. West will pursue this matter. A-One has been working on it.

ARCHITECTURAL CONTROL AND ALTERATIONS; COMPLIANCE

Ms. Swisher reported the following:

- Alterations Updates- Resident alteration requests covering the period 10/01/2019 to 3/31/2020 include:
 - 8 alterations were approved by the Board and are in progress.
 - 29 alterations were completed.
 - 6 alteration required further evaluation by the Board before approval.
- Compliance Updates
 - No compliance issues were identified in any of the above approved alterations.

EMERGENCY PREPAREDNESS COMMITTEE

Steve Adza reported there are no scheduled meetings for EPO or CERT. He reminded everyone that they can sign up for Nixle alerts by phone or by going to the Rossmoor website. Fire breaks are due by the end of May.

COMMUNICATIONS COMMITTEE

Mr. Brown was not in attendance. Ms. Swisher reported that the Board wants to add a communication area on the website. There is a new section listed there now.

POLICY COMMITTEE

A. Status Updates

- Since the Board Director previously designated as Chairperson of the Policy Committee is no longer on the Board, Ms. Swisher provided the report on behalf of the Committee:
 - Work on the new electric vehicle charging policy is still underway.
 - There remain open items regarding golfport usage, rent, and ownership.
 - The policy on fines needs to be updated to be in compliance with Davis-Stirling. This remains an open item.

OFFICERS REPORTS

1. President: Per the requirements of the Board to ensure financial disclosure, Ms. Swisher provided each Director with a handout that lists work orders or invoices between \$500 and \$5000 that were signed during the past 2 months by her. They are as follows:
 - Steve Adza for \$175.00 for miscellaneous March expenses.
 - RA & JV General Construction for \$2,200 for installation of copper hot water pipe and cleaning angle stops at 1941 Skycrest Drive #5.
 - Five Star for \$1,880 to repair ceiling and drywall at 1941 Skycrest Drive #5. This is billable to the manor owner.
 - A-One Construction for \$815.00 for installation of epoxy deck coating change order for 2109 Skycrest Drive #7.
 - Five Star for \$1,575 to repair drywall at 1902 Skycrest Drive #2 due to shower leak. This is billable to the manor owner.
 - Five Star for \$1,325 to repair ceiling and drywall at 1941 Skycrest Drive #5. This is billable to the manor owner.
 - Nice Cans for \$132.30 for March cleaning of the compost bins.
 - Bomac Inc. for \$683.77 for installation of lockboxes and key locks on two laundry room doors in Tice Creek Entry #A.
 - Adam Stirling for \$1,708 for legal services related to electronic conferencing and response to election rules comments.
 - Five Star for \$1,675 to repair sheetrock due to plumbing leak at 1149 Skycrest Drive #4.

- California Quality Printing for \$624.31 for printing and mailing of the New Election Rules Policy transmittal letter.

2. Vice President: No report.

3. Treasurer: Ms. Perrich gave the Treasurer's report. Based on the Preliminary Financial Report of **01/31/2020**, the year-to-date Mutual Reserve Fund ending balance is \$1,603,282 and the year-to-date Mutual Operating Fund ending balance is \$92,402.

The Reserve Fund shows an excess of Revenue over expenses of \$51,641 for the month of January and an excess of Revenue over expenses for year-to-date of \$51,641.

The Operating Fund shows an excess of Revenue over expenses of \$5,346 for January and an excess of Revenue over expenses for year-to-date of \$5,346.

During January we had expenditures in **Building Maintenance and Public Works and Insurance** that were higher than budgeted. Expenditures in **Landscape Maintenance, Custodial Services, Utilities, Professional Services, and General and Administration** were lower than budgeted.

Based on the Preliminary Financial Report as of **02/29/2020**, the year-to-date Reserve Fund balance is \$1,641,131 and the year-to-date Mutual Operating Fund ending balance is \$94,556.

The Reserve Fund shows an excess of Revenue over expenses of \$37,849 the month of February and an excess of Revenue over expenses for year-to-date of \$89,491.

The Operating Fund shows an excess of Revenue over expenses of \$2,154 for February and an excess of Revenue over expenses for year-to-date of \$7,500.

During February we had expenditures in **Building Maintenance and Public Works, Insurance, Professional Services, and Landscape Maintenance** that were higher than budgeted. Expenditures in **Custodial Services, Utilities, and Other General and Administration** were lower than budgeted.

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

4. Secretary: Ms. Ovalle sent draft minutes of the executive session to the Board.

Mr. Donner reported that the February carpentry amount of \$20,260 may be miscoded. He will follow up.

Mr. Schwartz asked Mr. Donner to explain the nature of the loan to GRF as it relates to the Mutual. Mr. Donner reported that it is \$3.5 million from the Paycheck Protection Program. It was approved. The purpose is to keep employees on the payroll and working. It allows MOD to pay employees and to have MOD be able to offset some of their revenue losses. If they follow the criteria for the loan, it will be forgiven.

UNFINISHED BUSINESS

None

NEW BUSINESS

A. Liens

- The Board has two liens to approve. Both of these liens are to enable the Mutual to receive past due fees. These liens do not require the Owner to make any financial restitution at this time. The liens are enforced upon sale of the property.

Mr. Schwartz moved to place a lien on property APN: 188-220-018 for all outstanding monies owed to Mutual 4 at the time of property sale. Ms. Perrich seconded and the motion carried without dissent.

Mr. Schwartz moved to place a lien on property APN: 189-240-010 for all outstanding monies owed to Mutual 4 at the time of property sale. Ms. Ovalle seconded and the motion carried without dissent.

ANNOUNCEMENT

The next meeting is the Regular Meeting scheduled for Monday, May 18, 2020 at 1:30 p.m. in the Board Room at Gateway. This may be a ZOOM meeting if we are still under the Shelter-in-Pace orders.

ADJOURNMENT

Having no further business, the meeting adjourned at 3:04 p.m.



Anne Paone, Assistant Secretary
Fourth Walnut Creek Mutual

***The Board of Directors met in executive session on February 12, 2020 at 1:10 p.m. to discuss the following:

1. Legal – Floor issue-may be approved with Board’s solution
2. Contracts – Piping to be checked
3. Payment Plans – Ms. Perrich to investigate status

Having no further business, the executive session adjourned at 3:30 p.m.

***The Board of Directors met in executive session on February 18, 2020 at 3:40 p.m. to discuss the following:

1. Legal – Flooring Matter-Board’s accommodation accepted
2. Member Compliance – Dog off leash-will be sent letter; Parking matters-Ms. Swisher to investigate

Having no further business, the executive session adjourned at 4:25 p.m.

***The Board of Directors met in executive session on February 24, 2020 at 1:40 p.m. to discuss the following:

1. Legal – Alterations-approved with modification; Common area-not approved
2. Contracts – Approved (Adza and Mutual)
3. Member Compliance – Lien process to begin
4. Payment Plans – Unpaid amounts to be reviewed by Ms. Perrich

Having no further business, the executive session adjourned at 4:15 p.m.

***The Board of Directors met in executive session on March 23, 2020 at 1:05 p.m. to discuss the following:

1. Legal – Trespassing–Door in crawl space broken. Rick West contacted; lockbox installed on laundry room door; Review of hard-surface flooring test-compromise offered to member; various issues; discussion of liens; Election rules will be sent to Mutual attorney for review; Discussion of addition to website for member notifications and information
2. Contracts – Dry rot and painting; Sewer line relocation

Having no further business, the executive session adjourned at 5:35 p.m.

***The Board of Directors met in executive session on April 6, 2020 at 2:00 p.m. to discuss the following:

1. Legal – Election rules reviewed-letter to be sent to members
2. Contracts – Relocation of sewer line-increase in cost approved

Having no further business, the executive session adjourned at 2:53 p.m.