

MINUTES  
FOURTH WALNUT CREEK MUTUAL  
TUESDAY, FEBRUARY 16, 2021 AT 1:30 P.M.  
ZOOM MEETING

Acting President Brown called to order a regular meeting of the Board of Directors of Fourth Walnut Creek Mutual at 1:30 p.m. on Tuesday, February 16, 2021 via ZOOM.

ROLL CALL: PRESENT:	Linda Brown	Acting President/Vice President
	Carolee Perrich	Treasurer
	Pamela Ovalle	Secretary
	Sheldon Schwartz	Director
	Janet Seldon	Director

ABSENT: None

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. Brown welcomed 4 residents in attendance.

APPROVAL OF CONSENT CALENDAR

*Ms. Ovalle moved to approve the consent calendar with the minutes listed as follows:*

Minutes: January 18, 2021: Regular Board Meeting

*Mr. Schwartz seconded and the motion carried without dissent.*

RE-ORGANIZE OFFICERS POSTIONS

With the resignation of Vicki Swisher, *Ms. Ovalle moved to appoint the following slate of officers: Linda Brown, President; Pam Ovalle, Vice President; Carolee Perrich remains as Treasurer; Janet Seldon, Secretary; and Sheldon Schwartz remains as Director. Mr. Schwartz seconded and the motion carried without dissent.*

RESIDENTS' FORUM

No questions or comments were made.

TECHNOLOGY REPORT

Mr. Brown reported the drainage will be addressed by the Board. There is a lot of paperwork to manage the Mutual. He would like the Board to look at a program called Simbli. He will have someone to help him on the committee. He provided the final report from Ms. Swisher on the Task Force for Technology. It is as follows:

**January 18, 2021**

Last Month's Activities:

- Continued drainage program by clearing debris from catch basins and drainpipes and removing debris from wire mesh, as needed. The wire mesh installation has proven to be highly successful and shows little degradation after three years.
- Continued evaluating corrective actions for problems identified by the 2020 sewer line preventive maintenance inspection program. All accessible Fourth Mutual sewer lines have been inspected.
- Completed inspection and mapping of all catch basin drain lines.
- Developed a spreadsheet for measuring the water pressure and evaluating the condition of water pressure regulators on each building. An evaluation of each building is currently underway.
- Prepared preventive maintenance program for trash enclosure and sidewalk inspections.
- Continued working with Davis Plumbing to replace galvanized water pipes with new copper piping in seven G-11 buildings.
- Continued to evaluate EBMUD water reports for Mutual 4 to identify evidence of major underground water leaks.
- 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.).
- Performing general inspections of sidewalks, building infrastructure, and hill erosion.
- Preparing Work Orders to install vinyl siding on five trash enclosures.
- Evaluating the use of ground penetrating radar to identify water / sewer lines damaged by tree roots or are likely to be damaged due to the current proximity of the roots.
- Continue preparing the Mutual 4 electrical vehicle charging policy. The policy covers both the use of carport 110 outlets and owner installation of a charging station. Various considerations include safety for carports located below manors and how to bill residents for electrical usage.

Open Items:

- None

COMMUNITICATIONS

Mr. Brown reported no changes.

TASK FORCE ON PARKING

Ms. Brown stated there is no report.

MANAGEMENT REPORT

Mr. Donner reported MOD is still operating with a full crew as some continue to work from home. MOD is still closed to residents.

### PRESIDENT'S REPORT

Ms. Swisher provided her final report to the Board.

See complete report as follows:

#### **Highlights of January 2021 Presidents' Forum**

- A discussion was held regarding camera scoping of sewer and drainage lines to identify problems. Ms. Swisher explained that Fourth Mutual had a preventive maintenance program in place with Five Star. The program requires Five Star to clear and camera scope each building sewer line approximately 50 feet in both directions from each sewer cleanout. The contract is designed so that all of Fourth Mutual's lines are completed in a 12 month period. The intention is to locate major blockages due to tree roots, and identify collapsed or partially broken lines. Ms. Swisher said the program has been highly successful and other Presidents interested in a similar program could talk to her or Rick West, MOD Building Maintenance Manager.
- One of the Mutual Presidents asked if any of the other Mutuels were having issues with asbestos encapsulation when Owners decided to remove their popcorn ceilings. No other Mutual had encountered problems.
- First Mutual invited a member of Sustainable Rossmoor to give a presentation regarding the installation of solar micro-grids by each Mutual to offset resident electrical costs. Ms. Swisher asked whether the issue with PG&E billing had been resolved. Ms. Swisher explained that PG&E previously stated that Fourth Mutual would have to be named on each resident's electric bill in order to share Mutual micro-grid power to each resident. This would mean that the Mutual would be responsible for residents' electric bills if they did not pay. The speaker did not know whether this issue was resolved. Questions regarding maintenance costs and increased insurance liability were also discussed. Some of the Presidents agreed that the solar micro-grid concept had merit and was worth researching further.
- Some of the Mutuels reported having problems with theft from mailboxes and stolen fire extinguishers. Although Securitas has been notified, the thefts seem to continue.
- John Tastor, Arthur J. Gallagher insurance representative for GRF/Mutuals, gave a presentation regarding the 2021 Master insurance policy. He introduced the new staff supporting Rossmoor and stated Ken Johnson was our new Area Vice President. Mr. Tastor said the insurance market was still exceedingly difficult due to rising litigation costs, 2020 natural catastrophic events (wildfires, hurricanes, tornadoes, etc.), and uncertainty of costs from the pandemic. Considerations specific to Rossmoor that impacted the 2021 insurance premium included wood-frame construction, most buildings were constructed before 1980 (do not meet current building code), wildfire exposure, and loss history. In addition, a 5% increase was made to our 2021 property value (total insured value is now \$1.4 B) and our cyber liability coverage was doubled. The resulting increase in our premium was 32% which is 3% less than the estimate provided to the Mutuals for budgeting purposes. This equates to a cost of \$1,271 per manor for 2021. For comparison, the cost per manor in 2020 was \$959. The property damage deductible remains at \$250,000 per occurrence.

- In response to previous questions by GRF / Mutuals, Mr. Tastor provided details on the possibility of converting to a captive insurance program over time. This is a form of self-insurance known as Alternative Risk Transfer (ART). The total start-up costs to implement such a program is \$60,000 - \$80,000. Further consideration is required before implementing this insurance approach.
- Dennis Bell provided an update on the number of electric vehicles registered in Rossmoor. The current total is 265. This includes electric-only cars, hybrid cars, and golf carts with license plates. Some of these vehicles belong to sponsored visitors. The potential concern is that these Visitor vehicles could be using carport outlets for free charging. The Presidents were interested in this information by Mutual to determine potential impact to carport electrical usage and considerations for adding charging stations in Entries. Fourth Mutual has 10 registered, electric vehicles.
- Paul Donner and Tim O'Keefe discussed the intent of GRF/MOD to submit a new Management Agreement to all Mutuals. The new agreement will still be a standard property management agreement where MOD can only perform tasks expressly requested by a Mutual Board. However, because of a recent issue, the new Management Agreement will indemnify GRF/MOD from all liability except gross negligence. The new management agreement is expected to be distributed to the Mutual Boards in February for signature.
- Rick Chakoff, GRF CFO, provided a draft year-end Mutual Operations Division financial statement. MOD has a deficit of \$383,151 for 2020 primarily due to a lack of billable work during the pandemic. As a result of the deficit, Mr. Chakoff stated the MOD billable rate would be increased from \$75/hour to \$80/hour starting January 1, 2021. Also, Member Records fees would be increased in 2021.

#### LANDSCAPE AND GROUNDS, FIRE CLEARANCE

Ms. Pollon reported the renewal contract has gone up by 0.7%. The fire abatement tree removal proposal for Skycrest, E17 is \$3,600.

#### BUILDING MAINTENANCE REPORT

Mr. West presented his report as follows:

#### ACTION ITEMS: Proposals for review or Approval

1. 1109 SC Proposal for New sewer line. Including tree root removal at 4-foot level and second at 13 foot level. Project includes new pipe and couplers.  
Due to root blockage and crushed pipe sections. Contractor: Five Star  
Estimate \$9,284.00

(Presented to the Board for Approval).

Mr. Schwartz moved to approve the proposal from Five Star in the amount of \$9,285 for 1109 Skycrest sewer line. Ms. Ovalle seconded and the motion carried without dissent.

#### INFORMATION ITEMS: Work scheduled in progress or completed.

1. 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.

Deadline to complete these inspections is January 1<sup>st</sup> 2025.

Proposal does not include destructive testing or put back costs. -

(FWC is putting an inspection schedule together for the board to review).

2. 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.

( Five star has inspect 118 Drain lines. Work is in ongoing).

\*Mr. West reported the Board had previously approved \$25,600 for this project. The price has been lowered. The Board agreed to the new price of \$22,209.00

3. 2021 Phase II & Phase III Dry Rot and Painting Project – Contractor: MOD. This project will include repairs and paint to 18 Buildings and 12 Carports.

MOD is currently working in entry 11 and 15 Skycrest Dr.

The Board has approved NTE \$32,600.00. Total YTD Costs –

Carpentry rehab \$158,614; Balcony rehab \$29,167; Paint \$20,600.00.

(Phase II of this project is currently in progress).

4. Interior electrical building and unit panels inspections - Contractor: Sang Electric. Sang has completed 40% of the units to date.

(This work is in progress).

5. Installation of new Main Line Galv. to Copper piping on seven G – 11 Buildings.

Contractor: Davis Plumbing.

Buildings : 1509 SC, 1901 SC, 1933 SC, 1133 SC, 1940 SC, 1941 SC, 1309 SC.

(Project has been completed).

6. 1609 SC #20 – Carpentry work on 4 doors ,casings and jams. Due to Structural movement.

Contractor Five Star - Mutual cost \$1,592.50.

(Work Scheduled with resident for 2/17/21)

7. 1413 SC #1 Damaged wiring in the attic – Contractor Sang Electric  
Cost \$975.00.  
(Work was completed on 2/9/21).
  
8. February Gutter and Downspout cleaning for all buildings and  
carports.  
Contractor: Outdoor Keepers. Cost \$11,050.00.  
  
(Work scheduled to be completed e by Mid - February).
  
9. Building Roof Inspections and Report. Includes 32 Roofs with  
material that are currently out of warranty.  
Contractor: Jim Hogue Cost \$1,900.00.  
  
(Work in Progress).

The Board agreed to put together a letter to place in the Rossmoor News as an insert that will partly advise residents to let Sang into check the interior electrical panels, among other items.

#### ARCHITECTURAL CONTROL AND ALTERATIONS; COMPLIANCE

Ms. Brown reported the following:

- 15 Alterations processed
- 12 Permits issued

- Compliance Updates
  - No compliance issues were identified in any of the above alterations.

#### EMERGENCY PREPAREDNESS COMMITTEE

No report.

#### POLICY COMMITTEE

No report.

#### OFFICERS REPORTS

1. President: No report.
2. Vice President: No report.
3. Treasurer: Ms. Perrich reported on the December 31, 2020 preliminary financials as follows:  
Status of Financial Account  
Based on the Preliminary Financial Report of 12/31/2020, the year-to-date Reserve Fund balance is \$1,871,767 and the year-to-date Mutual Operating Fund ending balance each is \$82,529.

The Reserve Fund shows a deficiency of Revenue over expenses of \$12,537 for the month of December, and an excess of Revenue Over Expenses year-to-date of \$276,089.

The Operating Fund shows an excess of Revenue over expenses of \$25,926 for December and an excess of Revenue over expenses for year-to-date of \$56,847. During December **Golden Rain Foundation, Insurance , Professional Services, and Other General & Administration** were higher than budgeted. **Building Maintenance and Public Works, Landscape Maintenance , and Utilities** had expenditures that were less than budgeted.

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

4. Secretary: No report.

*Mr. Schwartz moved to borrow \$15,000 from the reserve fund for the 2021 insurance premium. Ms. Perrich seconded and the motion carried without dissent.*

*Ms. Ovalle moved to have three (3) quarterly payments taken from the operating fund to the reserve fund to pay back the \$15,00 borrowed by the end of 2021. Mr. Schwartz seconded and the motion carried without dissent.*

The Board discussed money that is owed to the reserve account for insurance premiums. A special assessment may be levied on each unit/member without a vote of the membership if the amount is not over 5% of the budget. The Board agreed it would be prudent to take that action.

*Ms. Seldon moved to approve a \$524.00 special assessment to be paid either all at once or 2 payments with the first payment due on June 1, 2021 and the second due on November 30, 2021. This money is to be put back into the reserve account for money borrowed for insurance premiums. Mr. Schwartz seconded and the motion carried without dissent.*

#### UNFINISHED BUSINESS

None

#### NEW BUSINESS

Pam Ovalle was appointed as the 2<sup>nd</sup> signatory of Mutual checks.  
Kathleen Bridgman was appointed as the chair of the Policy Committee.

#### ANNOUNCEMENT

Regular Meeting – Monday March 15, 2021 at 1:30 p.m. – ZOOM Meeting

#### ADJOURNMENT

Having no further business, the meeting adjourned at 3:00 p.m.



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Anne Paone, Assistant Secretary  
Fourth Walnut Creek Mutual