

MINUTES  
FOURTH WALNUT CREEK MUTUAL  
MONDAY, JULY 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, July 20, 2020 via ZOOM.

ROLL CALL: PRESENT:	Vicki Swisher	President
	Linda Brown,	Vice President
	Carolee Perrich	Treasurer
	Pamela Ovalle	Secretary
	Sheldon Schwartz	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. Swisher welcomed 10 residents in attendance.

APPROVAL OF CONSENT CALENDAR

*Mr. Schwartz moved to approve the consent calendar with the minutes listed as follows:* June 15, 2020: Regular Board Meeting  
June 15, May 13, May 22, June 25, and July 2, 2020:  
Executive Session

*Ms. Ovalle seconded and the motion carried without dissent.*

RESIDENTS' FORUM

A resident thanked Ms. Pollon for the outstanding landscaping on the hillside. He asked about a recycle bin that has been removed. Ms. Swisher will ask Ms. Lankford to ask for another one.

MANAGEMENT REPORT

Mr. Donner reported that MOD is open and out in the field. The offices are closed. They have added drop boxes outside of Alterations and the front desk area. There is also a box with forms. GRF is not anticipating opening soon. There is a new phone system set up for 988-7600. There will be a recording that will walk you through prompts to get to the correct department. The recycle center is open.

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 June President's Forum. In order to expedite the meeting, Ms. Swisher waived reading the entire handout during these proceedings and only listed the main topics. These include handling hoarder

problems, flyer distributed to most Rossmoor residents regarding reducing coupon, Mutual investments in CDARs, impact on resales and alterations during the latest Stay-in-Place order, update on fire abatement efforts, and financial impact of balcony inspections.

See complete report as follows:

Highlights of June 2020 Presidents' Forum

- One of the Presidents asked for feedback from other Mutuels on how to handle hoarding problems. Vicki Swisher, President of Mutual 4, indicated that the city will assist if the hoarding problem leads to health considerations for neighbors. If the neighbors smell rotted food, smell pet feces, or debris from the manor is impacting exclusive use or common areas, the Walnut Creek Protective Services can intervene.
- The Presidents discussed how to handle the expense of balcony inspections required by Senate Bill 326. Various Mutuels had a different approach from requiring a special assessment, waiting as long as possible to accrue new reserve monies, and spreading the inspection over 4 years. Vicki Swisher, President of Mutual 4, indicated that her Mutual was interested in negotiating with potential inspection companies to provide a limited number of inspections each year to reduce the fiscal impact to the Reserve Fund. She said Mutual 4 is requesting electronic meetings with potential inspection companies to devise a plan that has the least impact on the Reserve budget.
- The Presidents discussed the impact of changes to the CDAR program. The concern was using brokerage CDs instead of CDARs can cause loss of principal if the CD has to be cashed in early. Rick Chakoff indicated that the Mutuels should contact Tess Haskett regarding their current and future CDAR investments. The importance is to make sure Mutual funds are FDIC insured, not necessarily attempting to make interest on their monies.
- The President of Mutual 4 asked if any other Mutuels had conducted their annual meeting using Zoom. Some of the other Presidents indicated that their Annual Meeting on Zoom had gone quite well. They indicated that the only problem was ensuring that members could be recognized in Resident's Forum when more than 25 members joined the meeting.
- Tim O'Keefe provided an update regarding GRF and the COVID-19 requirements. He indicated that GRF is following the Contra Costa Health recommendations. Currently the MOD and Gateway facilities remain closed to walk-in traffic. Mr. O'Keefe indicated that limited walk-ins to Alterations may be available by July 15, but this depends on decisions from Contra Costa Health. The fitness center is not yet open. Realtors still have limited access for buyers. Indoor and outdoor gatherings are still prohibited by Contra Costa County. Vicki Swisher asked if MOD/GRF will maintain the license for Zoom meetings until a COVID-19 vaccine is available. Mr. O'Keefe stated that Zoom meetings will be available.
- Dennis Bell indicated that the Public Safety Office is now open to residents from 8:30 AM to 3:30 PM. If you are requesting an RFID tag, you must install the tag on your vehicle yourself.
- Rebecca Pollen provided the following update:
  - GRF diskling has been completed for the 2020 fire abatement.
  - GRF has trimmed trees on their property within 100 feet of Mutual buildings.
  - Junipers are being removed within 30 feet of Mutual buildings.
  - We are asking for a forest improvement grant that may provide funding between

\$750,000 an \$5M.

- Contra Costa County is currently performing fire inspections. They are looking for trees in patios that are extending over roofs, and trees and shrubs that are hiding fire extinguishers.
- Rick Chakoff, GRF CEO, indicated that MOD revenues were down for May because of less approved alterations and resales. Since the Alterations and Resales Dept. is now open full time, this should improve.
- Many Mutual members have received a flyer from an anonymous source encouraging Mutual members to request a decrease in monthly coupon. GRF has addressed this issue with the expected author and indicated that distribution of this material cannot be made without support from a GRF or Mutual member. Also, the flyers cannot be placed in Owners' mailboxes due to Federal law.

#### TECHNOLOGY AND PREVENTATIVE MAINTENANCE TASK FORCE

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

See complete report as follows:

#### STATUS REPORT

July 20, 2020

#### 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 almost three years.
- The sewer line inspection program has been underway for seven months. 10 sewer lines are cleaned and inspected for degradation each month such that all lines will be completed each calendar year. No new major problems have been identified,
- 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.
- Working with Davis Plumbing to unclog / replace angle stops and water lines in some G-11 buildings with galvanized piping. This work is being performed on an "as needed" basis pending post installation of the new copper pipes under seven G-11 buildings.
- Completion of the installation of new copper pipes in the effected G-11 buildings has been on hold during the Stay-in-Place order to eliminate loss of water to residents in these buildings.
- Continued to evaluate EBMUD water reports for Mutual 4 to identify evidence of major underground water leaks.
- Evaluated the vinyl siding on the trash enclosures in Entry #1 and Entry #1. Even without the rubber bumper guards, the siding has remained undamaged. The Mutual will consider installing like materials on other trash enclosures.
- 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.).
- Interface with Helsing Group during their Mutual 4 inspection this year to answer questions regarding our comments associated with the 2019 Helsing Report.
- 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. Various considerations include safety for carports located below manors and how to bill residents for electrical usage.

#### 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.
- Performing general inspections of sidewalks, building infrastructure, and hill erosion.

#### Open Items:

- None

#### TASK FORCE ON PARKING

- This Task Force is currently idle and no new issues have been identified.

#### LANDSCAPE AND GROUNDS, FIRE CLEARANCE

Ms. Pollon reported that there is \$30,000 available in the budget. The lawn removals in the rear of the carports at E12 and E14 has been completed. The Mutual should receive a rebate for that work.

E11, 1801-1817, has work being done on the lawns behind the buildings. It keeps drying out. They may need to address the irrigation there.

They will continue doing irrigation checks.

They will return in the fall for MOD days and will do plant refills. They might do some small projects on E9. The rehab for Skycrest E1 will be put off until next year. Ms. Pollon would like to keep the \$30,000 for that project. They can put compost and mulch in E1 now. The cost for tree removal is \$13,925. Waraner has done tree pruning and they are waiting for permits for tree removal. All fire abatement work is completed.

#### BUILDING MAINTENANCE REPORT

- Ms. Swisher reported that based on a Go To Meeting conference, FWC seems to offer a good proposal for SB 326 required inspections. They have been in business since 1991 and have 70 employees so they are a known structural engineering firm. They agreed to and actually wanted to break up the inspections over 4 years with an accepted cost increase of only 3% after 2021. FWC plans to inspect 100% of the balconies, stairways, and entries as required per SB 326. Their proposal of \$74,880 is not fixed fee. It is based on approximately 1 hour of inspection per location and the number of locations based on a list provided by MOD. A certain amount of destructive testing has been factored into the proposal. FWC will provide an estimate of remaining life as part of their inspection report. FWC can start work in 2021.

- The Board requested that Five Star provide an updated spreadsheet for the water pressure and pressure regulator preventive maintenance?
- Ms. Swisher will inspect 2589 Pine Knoll #6 to determine whether the storage door is from an alteration or is the responsibility of the Mutual.
- The Board requests an update on the latest estimate for completion of the Helsing Mutual 4 site inspection.
- Ms. Swisher requested that Rick West determine the status of the outlet installed in 2109 Skycrest Drive #5 that shows through the balcony wall into Skycrest Drive #7. This issue has been pending since February 20, 2020.

Mr. West reported as follows:

PENDING ITEMS: Proposal review for Approval

1. Senate Bill SB326 - Structural Engineers inspection of elevated mutual components –  
Companies bidding on this project : FWC , FIG and Design Everest.  
- FWC \$74,880.00 / FIG \$101,350.00 / Design Everest \$22,500.00.  
Bids do not include destructive testing put back costs.  
(Sent estimates to THG to establish new Reserve funding category for this project. Also waiting for Board approval to sign contract with the vender of choice).

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 ongoing).
2. 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.  
(Project is scheduled to start in August).
3. Interior electrical building and unit panels inspections - Contractor: Sang Electric  
(This project is scheduled to start up again in August).
4. Installing new Main Line Galv. to Copper piping on seven G – 11 Buildings. Contractor: Davis Plumbing – 1509 SC, 1901 SC, 1933 SC, 1133 SC, 1940 SC, 1941 SC, 1309 SC.  
(Staging has been completed. Davis will schedule final connections with board approval to start).

Mr. West reported that the plumbing work at 1509 Skycrest #1 has been done, but not the put-back.

1901 Skycrest has been completed.

2109 Sky #5-Mr. West will check to see if there is an illegal alteration. (status of the outlet installed in 2109 Skycrest Drive #5 that shows through the balcony wall into Skycrest Drive #7.)

Ms. Swisher will inspect 2589 Pine Knoll #6 to determine whether the storage door is from an alteration or is the responsibility of the Mutual

### ARCHITECTURAL CONTROL AND ALTERATIONS; COMPLIANCE

Ms. Swisher reported the following:

- Alterations Updates- Resident alteration requests covering the period 01/01/2020 to 6/30/2020 include:
  - 17 alterations were approved by the Board and are in progress.
  - 20 alterations were completed.
  - 7 alteration required further evaluation by the Board before approval.
  - The Board needs to verify that the Alteration Department can track and maintain Alteration agreements required by the Board. A meeting is being set up with Chris Preminger and Bill Parsons to coordinate this effort.
- Compliance Updates
  - No compliance issues were identified in any of the above alterations.

### EMERGENCY PREPAREDNESS COMMITTEE

Mr. Adza discussed how EPO got started. CERT will hold a meeting tomorrow. There will be a discussion on the pandemic. Red Cross will have a blood drive in Pleasant Hill. The Nutshell Newsletter has information on Covid-19.

### COMMUNICATIONS COMMITTEE

Mr. Brown reported the newsletter is on hold.

The website is updated. He provides links to the Zoom meetings. The site is backed-up. He will draft an article for the Rossmoor News about Fourth's website.

### 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 will provide the report on behalf of the Committee:
  - Work on the new Communications Policy 10.7 is underway. This policy is needed to address the email requirements specified in Senate Bill 323 and to provide governance on electronic communication of

Mutual documents to residents.

- Working on upgrading insurance governance to establish consistency between CC&Rs, By-Laws, and policies.
- 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 month by her. They are as follows:

Steve Adza for \$175.00 for miscellaneous June expenses.

Nice Cans for \$176.40 for June cleaning of the compost bins.

Adams Stirling for \$950.00 for retainer for Client Advantage Program.

Adams Stirling for \$3,696 for miscellaneous legal services.

Five Star Painting for \$2,025 to repair 75 feet of concrete sidewalk in entry #3 Skycrest Drive #1.

2. Vice President: No report.

3. Treasurer: Ms. Perrich gave the Treasurer's report.

Based on the Financial Report of 05/31/2020, the year-to-date Reserve Fund balance is \$1,692,113 and the year-to-date Mutual Operating Fund ending balance is \$117,677.

The Reserve Fund shows an excess of Revenue over expenses of \$9,577 for the month of May and an excess of Revenue over expenses for the year-to-date of \$140,472.

The Operating Fund shows a deficiency of Revenue over expenses of \$9,579 for May and an excess of Revenue over expenses for year-to-date of \$30,621.

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

Based on the Financial Report of 06/30/2020, the year-to-date Reserve Fund balance is \$1,705,484 and the year-to-date Mutual Operating Fund ending balance is \$121,323.

The Reserve Fund shows an excess of Revenue over expenses of \$13,371 for the month of June and an excess of Revenue over for year-to-date of \$153,844.

The Operating Fund shows an excess of Revenue over expenses of \$3,645 for June and an excess of Revenue over expenses for year-to-date of \$34,266.

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

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

Reserve cash and CDARS Investments: As of July 16, 2020, we had a balance in our Reserve Checking account of \$1,231,632. We also have \$300,000 in CDARS with various maturity dates.

We can automatically rollover the funds if we do not have major expenses anticipated. We will not rollover the funds when we expect bills for major reserve requirements. Presently we are required make new CDARS with a minimum of \$250,000 balances. MOD accounting assures me we are able to rollover the old CDARS that have \$100,000 balances.

Ms. Perrich reported the schedule as follows:

<u>Date of Investment</u>	<u>Maturity Date</u>	<u>Amount</u>
07/23/2020	10/23/2020	250,000
07/30/2020*	10/30/2020	100,000
08/06/2020	11/06/2020	250,000
08/13/2020*	11/13/2020	100,000
08/20/2020	11/20/2020	250,000
09/03/2020	12/03/2020	280,000
11/12/2020*	02/12/2021	100,000
	Total	1,330,000

(Asterisks indicate the money we currently have in CDARS and they are just being rolled over.)

*Mr. Schwartz moved to accept Ms. Perrich's CDARS schedule. Ms. Perrich seconded and the motion carried 3-0. (Brown and Ovalle abstained because they had not seen the information.)*

4. Secretary: No report.

#### UNFINISHED BUSINESS

None

#### NEW BUSINESS

None

#### ANNOUNCEMENT

##### **Annual Meeting – Thursday August 27 at 1:30 p.m. – ZOOM Meeting**

Ms. Swisher stated that based on the requirements of SB 323, the Board had to re-schedule the Annual meeting to late August. Since no one submitted a request to run for the two Board positions up for election this year except the incumbents, there is no balloting process required for Mutual 4 to fill the two Board seats. However, the Annual Meeting could not be scheduled until after closure of nominations to determine whether balloting was required. Also, the Board must provide at least 30 days written notice to members before the meeting. The Annual Meeting this year will be an electronic Zoom meeting due to social distancing requirements resulting from the COVID-19 pandemic.

#### ADJOURNMENT



Having no further business, the meeting adjourned at 3:47 p.m.



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Anne Paone, Assistant Secretary  
Fourth Walnut Creek Mutual

\*\*\*The Board of Directors met in executive session on May 13, 2020 at 1:35 p.m. to discuss the following:

1. Legal – Resident (Small Claims) - Discussion
2. Contracts – Davis Plumbing, status of schedule to complete work; Clean outs
3. Member Compliance/Disciplinary Actions – Various issues; liens

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

\*\*\*The Board of Directors met in executive session on May 22, 2020 at 4:30 p.m. to discuss the following:

1. Contracts – Status of water flow affecting sale; piping
2. Member Compliance/Disciplinary Actions – Liens/Foreclosure

Having no further business, the executive session adjourned at 5:48 p.m.

\*\*\*The Board of Directors met in executive session on June 15, 2020 at 4:21 p.m. to discuss the following:

1. Legal – Resident (Small Claims) – Discussion; Insurance

Having no further business, the executive session adjourned at 4:57 p.m.

\*\*\*The Board of Directors met in executive session on June 25, 2020 at 2:10 p.m. to discuss the following:

1. Legal – Resident (Small Claims) – Discussion; Insurance
2. Contracts – CDARS-Discussion

Having no further business, the executive session adjourned at 5:21 p.m.

\*\*\*The Board of Directors met in executive session on July 2, 2020 at 1:10 p.m. to discuss the following:

1. Legal – Insurance Requirements; Resident (Small Claims) – Discussion; Interpretation of Governance as applies to insurance
2. Contracts – Discussion on CDARS
3. Member Compliance – Carport issue

Having no further business, the executive session adjourned at 5:23 p.m.