

MINUTES
FOURTH WALNUT CREEK MUTUAL
MONDAY, OCTOBER 17, 2022 AT 1:30 P.M.
Via ZOOM

President Brown called to order a regular meeting of the Board of Directors of Fourth Walnut Creek Mutual at 1:30 p.m. on Monday, October 17, 2022.

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

ABSENT:

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

Ms. Brown welcomed 16 residents in attendance.

APPROVAL OF CONSENT CALENDAR

The consent calendar consisted of:

Minutes:	September 19, 2022: Regular Board Meeting
	September 22, 2022: Executive Session Minutes

Ms. Brown asked for any additions or corrections to the minutes. Hearing none, Ms. Brown declared them approved.

A voice vote was taken. Brown-y, Spires-y, Ovalle-y, Seldon-y, Schwartz-y

RESIDENTS' FORUM

No comments or questions from the Members.

MANAGEMENT REPORT

No report.

PRESIDENT'S REPORT

Ms. Brown reported that Mutual 70 had presented how to write contracts and do a scope of work. It was very well done This is how MOD should do it.

Ms. Ovalle stated that it should be required that MOD get 3 proposals for work that needs to be done.

TECHNOLOGY REPORT

No report.

LANDSCAPE AND GROUNDS, FIRE CLEARANCE

Ms. Seldon reported that she and John Tawaststjerna have been discussing MOD workdays. They went over the budget and discussed what plants to plant. They went over tree removals.

Mr. Tawaststjerna provided the following report to the Board:

Mutual 4 Landscape Report

Maintenance Report

- Clearing of v-ditches and drainage systems
- Grub control for lawns
- Fertilizing and overseeding of lawns has been put on hold
 - o Process requires lots of watering
 - o Has been cancelled the past few years

MOD Days

- 10/24 – 11/3 (9 total workdays)
 - o Plant replacements
 - All requests have been submitted and reviewed
 - Only one denied request
 - o Redwood removal planting at 1429 Skycrest
 - No trees included in this planting
 - Will add a layer of mulch to help freshen area
 - o Small planting where Redwood was removed at 2100 Skycrest
 - o Lawn removals
 - Skycrest Entry 8
 - Both sides along the front entry driveway

Budget

- Landscape Rehab
 - o Total Budget - \$68,000.00
 - o YTD = \$54,286.16
 - o Remaining = \$13,713.84
- Tree Maintenance
 - o Total Budget - \$40,625.00
 - o YTD = \$44,245.00
 - o Remaining = $-\$(3,620.00)$

Mr. Tawaststjerna stated that Fourth Mutual has some raccoon damage, but no damage from pigs. Raccoon traps are set. If anyone should see pigs, call MOD. Terra Landscape can put out a product to prevent grubs.

BUILDING MAINTENANCE REPORT

Mr. West reported as follows:

INFORMATION ITEMS: Work scheduled in progress or completed.

1. Roofing Project – 1817 Sky Crest DuraLast Project scheduled for 2023.
Contractor Fiala Roofing. Estimate - \$217,121.00

2. 1429 SKY - Replace broken sewer line. Contractor: Five Star. Cost \$ 10,950.00.
Project in progress.

3. 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.

FWC will need to return to complete list of units that were not accessible.
(Reported repairs recommended by FWC will go out to bid).

4. 2021 Phase II / 2022 Phase III / 2023 Phase IV - Dry Rot and Touch Painting Project Contractor: MOD – Phase III includes Entry 11 and 15 Skycrest Dr.
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).

ARCHITECTURAL CONTROL AND ALTERATIONS; COMPLIANCE

No reports available.

EMERGENCY PREPAREDNESS

No report. Still looking for a chair.

COMMUNICATIONS

Mr. Brown reported that he has the sign-up form for Constant Contact, but he needs instructions so he can post it on the website. Rich Kinsey stated that at the bottom of the form it should state to send the form to Richard Kinsey with his address. Debby Hachen has corrected the form and will send it to Rich Kinsey.

Newsletter – Rich Kinsey reported that 240 have signed up for the Newsletter. 80% of residents look at the emails that are sent. This is a very good number.

POLICY COMMITTEE

Ms. Brown reported that she is in contact with the attorney, but the attorney is on jury duty.

Ms. Brown and Mr. Spires talked about earthquake insurance. She sent an email to have Ms. Ward review the CC&Rs regarding the Mutual's responsibility for rebuilds. Mr. West stated earthquake insurance is quite expensive.

OFFICERS REPORTS

1. President: No report.
2. Vice President: No report.
3. Treasurer: Ms. Ovalle reported the following:

The Mutual has an Operating Fund balance of \$584K and a Reserve Fund Balance of \$2.225MM for a total Fund balance position of \$2.8MM as of August 31, 2022. Working Capital (Cash plus A/Rs minus A/Ps) in the Operating Fund is a healthy \$539K. This is a substantial amount and reflects the non-recurring rebates that the Mutual received from GRF. Preservation of the liquidity of the operating fund is essential if the Mutual is to have sufficient funds to meet the insurance requirements for Fiscal 2023 without having to borrow from Reserves.

The level of delinquent receivables continues to be problematic with \$91K of the total receivable of \$115K past due. As was noted last month, with the approval of the new collection policies at this meeting, material past due accounts can now be referred to ASAP Collection Services so it is hoped that there may be some reduction in this amount. Again, as noted last month, in excess of \$50K of the \$91K past due receivables related to assessments is attributable to two accounts.

For the month of August, the Mutual generated revenues in excess of expenses of \$30K. This is attributable to the one-time revenue inflow of \$43,516 from GRF refunds. Without this one time income source, Expenses for the month would have exceeded revenues by \$13K. On a YTD basis the Operating Fund reported revenue in excess of expenses of \$191K. Again, without the one-time revenue from the refunds, Revenues would have exceeded expenses by only \$30K. It is noted that a problematic account relative to YTD budget and Total Year Budget is Legal expenses which exceed YTD budget by \$10K. In large part this is attributable to the costs associated with engaging Adams Stirling, counsel for the Mutual, to revise the Mutual's CC&Rs and By-laws.

The performance of the Reserve Fund on a YTD basis reflects Revenues in excess of Expenses of \$86K. This is well ahead of the performance projected for the year of an excess of expenses over revenues of \$232K. It is noted, however, that for the month of August, Expenses exceeded Revenues by \$21k. Overall, for the year so far, Roofing costs have exceeded the full year budgeted amount by \$62K. The Board identified three buildings in the Mutual to be re-roofed during 2022. Due to very substantial increases in material costs, the estimate provided by the roofing company at the end of Fiscal 2021 was revised upwards as the work began in 2022. To manage the unexpected increase in this cost category and to control overall Reserve expenses, the Board decided to defer some significant expenses such as asphalt repair into next year. There is one other major roofing project that has to be completed in 2023. The Board has requested MOD to ask the roofing company to purchase the materials for that project this year when the costs are known in an effort to hedge against another cost increase next year when the project is undertaken. Overall, the financial condition of the Mutual remains satisfactory, however, the impact of increasing repairs to infrastructure such as pipes, the need to remove diseased and problematic trees, coupled with the major maintenance projects such as new roofs are putting pressure on performance. The situation is exacerbated by inflationary impact on costs.

Ms. Ovalle moved to certify that the August, September, and October financials have been reviewed in accordance with civil code #5500. Mr. Schwartz seconded and the motion carried without dissent.

A voice vote was taken: Brown-yes, Spires-yes, Ovalle-yes, Seldon-yes, Schwartz-yes
4. Secretary: No report.

UNFINISHED BUSINESS

Adoption of Assessment Collection Policy:

Ms. Ovalle reported that the collection policy must be updated to conform to the law.

Ms. Seldon moved to adopt the updated Assessment Collection Policy. Mr. Schwartz seconded and the motion carried without dissent.

A voice vote was taken: Brown-yes, Spires-yes, Ovalle-yes, Seldon-yes, Schwartz-yes

NEW BUSINESS

Audit Engagement Letter:

Ms. Brown stated that she would like to get more proposals for next year.

Ms. Ovalle moved to approve the proposal from Porter & Lasiewicz for a one-year renewal to do the audit and tax services in the amount of \$4,660. Ms. Seldon seconded and the motion carried without dissent.

A voice vote was taken: Brown-yes, Spires-yes, Ovalle-yes, Seldon-yes, Schwartz-yes

Trash Enclosure Changes and Recycling Information:

Debra Hachen reported that Luis has been great. She thanked Carl Brown for his vision. She tracks all comments regarding the trash enclosures. Her committee has figured out where to change carts. They are only doing 405 entries. They will be phased in and done in a certain order. Ms. Brown will forward a work order from Deby to Lisa Lankford.

Ms. Hachen presented the following to the Board:

RECOMMENDED TRASH ENCLOSURE CART CHANGES

As of October 17, 2022

Submitted by Debra Hachen, Trash Committee Chair

Actual submission of changes to Republic can only be made by Board President (Linda Brown) through Lisa Lankford, MOD.

For the five enclosure changes involving adding Green Compost cart, we suggest each change be submitted AFTER a training is done in that entry. Committee will schedule those trainings over next several weeks and provide Linda with the specific order to forward to Lisa Lankford at MOD when each training is complete.

One enclosure (Entry 13) needs upgraded Recycle without addition of Green Compost. Listed first and suggest ordering immediately. No training needed.

Blue Recycle Small = 64 gallon

Blue Recycle Large = 96 gallon

(FYI: current green compost carts in 4th mutual are 32 gallon.)

Note: Long term cost incurred under this plan should only be the additional cost of Nice Cans monthly cleaning. Since that was cut back in current budget from weekly to monthly, the savings from that should cover any additional cost in this year's budget.

ENTRY 13 SKYCREST

Skycrest 13A

CURRENT 1 Small Blue, 1 Large Blue, 1 Green (small)

PROPOSED Change the small to a large.

No change to Green.

ENTRY 17 SKYCREST

Skycrest 17A

CURRENT 2 Small Blues

PROPOSED: Change 1 of the Smalls to a Large.

Add one 64 gallon Green Compost

ENTRY 7 SKYCREST

CURRENT 2 Small Blue, 1 Large Blue

PROPOSED Keep blues as is

Add 1 32 gallon Green Compost

ENTRY 10 SKYCREST

Skycrest 10 A

CURRENT 2 Small Blue and 1 Large Blue

PROPOSED Change 1 of the Smalls to a large.

Skycrest 10B

CURRENT 1 Small Blue; 2 Large Blue

PROPOSED Remove Small Blue.

Add one 64 gallon Green Compost

Skycrest 10C

CURRENT 1 Small Blue; 2 Large Blue

PROPOSED No Changes

ENTRY 12 (AND 14) SKYCREST

Skycrest 12A

CURRENT 1 Small Blue, 1 Large Blue

PROPOSED Change the small to a Large Blue, for 2 Large Blues.

Skycrest 12B

CURRENT 2 Large Blues

PROPOSED Remove one Large Blue

Add one 64 Gallon Green Compost

Skycrest 12C

CURRENT 2 Large Blues

PROPOSED No Change

ENTRY 3B SKYCREST

CURRENT 1 Yard Dumpster for Recycling

PROPOSED Remove Recycle Dumpster

Add two large Blue Recycle

Add one 32 or 64 Gallon Green Compost - TBD after discussion with residents at a training session

Ad Hoc Committee Consolidation

Mr. Brown stated that there are short term committees for specific tasks. He suggested folding the committees into a new Planning Committee. The Board tabled this for their next meeting.

ANNOUNCEMENT

Regular Meeting – Monday, November 21, 2022 at 1:30 p.m. – via ZOOM

ADJOURNMENT

Having no further business, the meeting adjourned at 3:16 p.m.



Anne Paone, Assistant Secretary
Fourth Walnut Creek Mutual