

MINUTES
FOURTH WALNUT CREEK MUTUAL
MONDAY, SEPTEMBER 19, 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, September 19, 2022.

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

ABSENT: Jeff Spires, Vice President

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

Ms. Brown welcomed 14 residents in attendance.

APPROVAL OF CONSENT CALENDAR

The consent calendar consisted of:

Minutes: July 18, 2022: Regular Board Meeting
 August 9, 2022: Regular Board Meeting
 August 4, 2022: Annual Meeting
 August 4, 2022: Organizational Meeting

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

Resident asked if the request for signs was included in the minutes of the last meeting. Ms. Brown will check.

Resident asked how many units there are in Fourth Mutual. Ms. Brown responded 286 units.

Resident asked if the coupon would increase. Ms. Ovalle stated that she will address that during the Treasurer's report.

MANAGEMENT REPORT

Mr. Donner reported that they are working through budgets for all of the Mutuals. They are getting closer to knowing what the GRF portion will be. It is currently at \$24.00, but that is not final. The management fee will be increased by \$1.40. this is to replace the Jenark system. GRF will front the money and the Mutuals will pay their share over 5 years. The management fee might be higher due to staffing changes. The search for the CEO is ongoing. Applications should be returned by October 31, 2022.

PRESIDENT'S REPORT

Ms. Brown reported that Ralph Anderson and Associates is doing the search for the CEO. There is a budget meeting on September 28 via Zoom. Ms. Brown asked that you notify her if you are doing alterations in a G11 building because the vertical pipes can be replaced by the Mutual. She thanked Rich Kinsey for stepping up to be the editor of the newsletter and for his work with Constant Contact.

TECHNOLOGY REPORT

Mr. Brown would like to change the name of the committee to Planning Committee.

LANDSCAPE AND GROUNDS, FIRE CLEARANCE

Ms. Seldon asked that Mr. Tawaststjerna give his report.
Mr. Tawaststjerna provided the following report to the Board:
Maintenance Report

- Clearing of v-ditches and drainage systems
- Fertilization of trees, shrubs, and ground covers
- Pruning of overgrown shrubs

MOD Days

- 10/24 – 10/31 (9 total workdays)
 - o Plant replacements
 - Please submit all plant replacement requests by October 1st
 - Email plantreplacement@rossmoor.com
 - Only 4 requests so far
 - o Redwood removal planting at 1429 Skycrest
 - No trees included in this planting
 - Will add a layer of mulch to help freshen area
 - o Lawn removals
 - Skycrest Entry
 - Both sides along the front entry driveway
 - Pine Knoll 7A
 - Small strip behind building 2589

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 = $-\$(3,620.00)$

BUILDING MAINTENANCE REPORT

Mr. West reported as follows:

INFORMATION ITEMS: Work scheduled in progress or completed.

1. Dryer Vent Cleaning – Contractor: Bay Air Flow to complete up to 262 units.

At \$65 Per unit. Total Price not to exceed \$18,590.00. Mutual will only pay for the number of units actually completed. This project is complete with the exception of the residents that were not home. Notices will go on the doors of these units with the contact information to schedule an appointment with Bay Air Flow. Total completed cleaning 233 units.

Minus 24 units on Tice Creek - 262 units with dryers leaving 29 units remaining to be scheduled.

Bay Air flow update on project completion

2. Roofing Project - This project will include the 7 Buildings remaining with Tar and Gravel Roof buildings in 4th mutual.

Included will be new DuroLast Material installed on the flat sections of the roofs. Also new gutters and downspouts along with new tile to comp roofing.

Building included are: # 1109 SC / 1301 SC / 1509 SC / 1902 SC / 1910 SC / 2101 SC / 2105 SC.

Contractor: Frank Fiala Roofing - Original contract total \$368,328.00.

2021 Phase I Roofing Project completed Buildings #1301, #2105, and #1509.

For a Total cost of \$101,838.00.

2022 Phase II - # 1109 SC / 1902 SC / 1910 SC / 2101 SC

For a Total cost of \$304,994.00

Due to Material, Insurance and Labor cost increases.

The new Total project cost to complete all seven roofs - \$406,832.00

(Phase II Completed).

3. 1429 SKY - Replace broken sewer line. Contractor: Five Star. Cost \$ 10,950.00.
Project in progress.

4. 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.

Phase I Inspections Completed in August 2021. Phase II Inspection Completed September 2022.

FWC will need to return to complete list of units that were not accessible.

(Reported repairs recommended by FWC will go out to bid).

5. 2021 Phase II / 2022 Phase III / 2023 Phase IV - Dry Rot and Touch Painting Project Contractor: MOD – Phase II includes Entry 11 and 15 Skycrest Dr.
2021 Building Carpentry and Supervision Budget for this Project is \$90,000.00.
Breakdown of 2021 cost to-date: 2021 MOD Reserve Supervision and consultation Cost \$ 11,975.00 / Painting Exterior – Cost \$20,715.00 / Carpentry Exterior – Cost \$ 36,455.66

Total cost 69,145.66.

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).

Ms. Ovalle stated that 1817 Skycrest has roofing problems (Tar & Gravel). Mr. West reported That they are still investigating, but it is not likely that it can be done this year. They can do some patching to get through the winter.

ARCHITECTURAL CONTROL AND ALTERATIONS: COMPLIANCE

No report available.

EMERGENCY PREPAREDNESS

No report. Still looking for a chair.

COMMUNICATIONS

Ms. Ovalle reported there has been a great response to the request for emails. They received 274 responses with 20 opting out. They get a report on how many people open their emails. The rate is 75-78%. They need to get forms to people that move in. They want to delete those that move.

Newsletter – Rich Kinsey is the new editor.

Website – Mr. Brown reported it is up and running.

POLICY COMMITTEE

Ms. Brown reported they want to get Melissa Ward to work on the CC&Rs and Bylaws. Then the policies can be done. Ms. Ovalle sent Ms. Ward an email. The members have received revisions to some of the policies.

OFFICERS REPORTS

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

As of July 31, 2022, the Mutual has an Operating Fund balance of \$554K and a Reserve Fund Balance of \$2,246,00 for a total Fund balance position of \$2,800,00.

Working Capital (Cash plus A/Rs minus A/Ps) in the Operating Fund is a healthy \$458K.

This is a substantial amount and reflect the 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.

For the month of July, the Mutual generated revenues in excess of expenses of \$104K.

This is attributable to the one-time revenue inflow of \$117K 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 \$161K.

Again, without the one-time revenue from the refunds, Revenues would have exceeded expenses by only \$42K. It is noted that there is a particularly problematic account in which expenses are consistently exceeding budgeted amounts.

The performance of the Reserve Fund on a YTD basis reflects Revenues in excess of Expenses of \$108K . This is well ahead of the performance projected for the year of an excess of expenses over revenues of \$232K

In part this positive performance is attributable to decisions made by the Board to defer some significant expenses such as asphalt repair. It is further noted that not all of the major reserve expenses have been recorded yet so the performance cushion in the performance of the Reserve Funds could be reduced, if not eliminated.

Several items of note: the level of delinquent accounts receivable continues to be problematic with \$50K of the total \$71K of past due receivables attributable to two accounts.

While MOD has started to send delinquent notices to residents who are past due, many of the past due accounts need to be turned over to a collection agency. This process has been held up because the Board had to revise the collection policy of the Mutual. Recently this revised policy was mailed to all residents for comment. Adoption of the amended policy will occur at the October Mutual Four Board Meeting barring any significant objection from residents.

As has been noted, earlier in this meeting, the budget process is scheduled to begin September 29, 2022. A major factor in arriving at a budget and coupon amount for Fiscal 2023 will be in the insurance expense.

Ms. Ovalle moved to certify the July financials have been reviewed in accordance with civil code #5500. Mr. Schwartz seconded and the motion carried 4-0.

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

4. Secretary: No report.

UNFINISHED BUSINESS

None

NEW BUSINESS

Change Insurance Year End Date

Ms. Ovalle moved to change the insurance year end date to September to October.

Ms. Seldon seconded and the motion carried 4-0.

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

Establish Trash Committee and Appoint Chair

Ms. Seldon moved to establish a Trash Committee and to appoint Debby Hachen as the chair. Ms. Ovalle seconded and the motion carried 4-0.

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

Ms. Hachen thanked Ms. Brown for her support and encouragement. She thanked those serving on the committee whose names are as follows:

Dick Stanley, Carl Brown, Sara Proctor, Deb Amans, and Janet Fine

Ms. Hachen stated that they will put notices up regarding Nice Cans reminding residents when they are coming. They are in touch with Carol Weed and Trash Talk. They have a spreadsheet so they know the sizes of the bins in each enclosure.

ANNOUNCEMENT

Regular Meeting – Monday, October 17, 2022 at 1:30 p.m. – via ZOOM

ADJOURNMENT

Having no further business, the meeting adjourned at 3:25 p.m.



Anne Paone, Assistant Secretary
Fourth Walnut Creek Mutual