

MINUTES
FOURTH WALNUT CREEK MUTUAL
MONDAY, SEPTEMBER 21, 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, September 21, 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-out sick, and Anne Paone, Administrative Secretary.

Ms. Swisher welcomed 7 residents in attendance.

APPROVAL OF CONSENT CALENDAR

Mr. Schwartz moved to approve the consent calendar with the minutes listed as follows:

Minutes: July 15, 2020: Executive Session
 July 20, 2020: Regular Board Meeting
 August 12, 2020: Executive Session
 August 18, 2020 Special Board Meeting
 August 21, 2020: Special Board Meeting
 August 27, 2020: Annual Meeting
 August 27, 2020: Organizational Meeting
 August 28, 2020: Special Board Meeting
 September 1, 2020: Special Board Meeting
 September 11, 2020: Special Board Meeting

Ms. Brown seconded and the motion carried without dissent.

RESIDENTS' FORUM

Resident asked that the Board consider putting new grass in front yard of 1817 Skycrest. Resident said her area needs grass, too – 1109 Skycrest. Resident thanked Board for extra-large trash bin.

MANAGEMENT REPORT

Mr. Donner reported that MOD is working with the Board on the 2021 budget. MOD is still closed to residents, but operating with all crews.

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 July and August President's Forum. In order to expedite the meeting, Ms. Swisher waived reading of the handout and asked that it be included in the official minutes of this meeting. See complete report as follows:

Highlights of July and August 2020 Presidents' Forums

- One of the Presidents ask for feedback regarding back-up generators. Ms. Swisher stated 4th Mutual currently does not have a specific policy but is able to prohibit gasoline and propane powered generators due to hazardous materials, noise, and safety implications from power cords running on sidewalks and stairways which is covered in current governance. Ms. Swisher also stated that if a resident asks for an alteration to add a battery powered back-up generator, power cords would have to be permanently installed and maintenance checks would have to follow the solar policy requirements. One of the Presidents asked whether Rossmoor could implement a Rossmoor wide policy. Dennis Bell, Public Safety Manager, stated this issue is a decision of each Mutual.
- The Presidents discussed how each Mutual is helping residents cope with isolation from the pandemic. The Presidents agreed to share their Mutuals' coping mechanisms.
- The Presidents asked GRF if there was a mechanism to upgrade control of visitors to Rossmoor since Manor Care has so many COVID-19 cases and deaths due to visitors or infected staff. Tim O'Keefe, GRF CEO, explained that Rossmoor cannot legally lock our entrance gates to visitors. Only Contra Costa County can mandate this action. Mr. O'Keefe stated that the County has not mandated this action since Rossmoor is not considered a confined space similar to Manor Care.
- Kelly Berto, Recreation Manager, gave a presentation regarding options available to Mutuals for Recreation Department supported activities once gatherings over 10 people is permitted by the County. These include barbeques, movies, concerts, craft classes, bingo, dances, etc. All of these activities would be no cost to the Mutuals.
- 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 GRF facilities remain closed to walk-in traffic. This includes the fitness center. He stated that it is likely there will be no indoor gatherings for the remainder of the year. Outdoor gatherings beyond a social bubble of 10 individuals is still prohibited by Contra Costa County unless individuals can remain 6 feet apart. Realtors still have limited access for buyers. Mr. O'Keefe stated that Rossmoor will continue to follow the Contra Costa County health guidelines.
- Paul Donner indicated that an automated phone system was in place at MOD since there is no receptionist typically on duty as a result of the COVID-19 restrictions. However, MOD is fully operational to respond to Mutual's requests.
- Chris Preminger, Business Operations Manager, provided updates on MOD statistics for Work Order Desk, Member Records, and Handy Man Service. Since MOD is now providing full service in all of these areas, response to requests was higher than normal to complete the backlog from March and April when MOD was essentially shutdown. Also, Docu-Sign was implemented by Member Records to enable Mutual Boards to sign Member Record documents remotely.
- There was discussion about Republic billing issues from one of the Mutual Presidents. Apparently, there was over charging and wrong configuration of bins in each trash enclosure. The President asked if other Mutuals had the same problem. The other

- Mutual Presidents indicated they had no knowledge of this problem but would look into the matter. Ms. Swisher asked if any other Mutual had two recycle pickups per week because of the increase in shipping boxes during the pandemic. Other Mutual Presidents said only one pickup per week was still sufficient for their Mutual.
- One President asked how Mutuals were ensuring payment of owner billable work. Ms. Swisher indicated that 4th Mutual has a form that MOD requests owners' sign before commencement of work. However, if the owner refuses to sign and the damage includes Mutual property, MOD is authorized to go forward with repairs without the signature.
 - There was a discussion about appropriate late fees. Some Presidents questions whether the late fees implemented by MOD were in compliance with Davis Stirling.
 - John Tastor, our main representative with Gallagher Insurance, provided details of the expected 2021 blanket insurance coverage. It is estimated that our insurance rates will increase approximately 35% for 2021 with the same \$250,000 deductible. Because of the global calamities such as wildfires, hurricanes, and civil disturbances, this may increase. Since it is not likely that insurance rates will stabilize over the next few years, Gallagher is researching the cost for Rossmoor to enter "Captive Approach" insurance which is essentially being self-insured. John Tastor also said that owners need to have insurance totaling \$250,000 for any losses from water or fire damage caused by their appliances. Ms. Swisher asked if our blanket insurance providers deal with losses below \$250,000. Mr. Tastor said the insurance providers do not evaluate claims below \$250,000.
 - Ms. Swisher asked Chris Preminger, Business Operations Manager, if the computer system can deal with residents opting out of electronic mailings. He said there was an option in the Jenark program indicating Opt-Out.
 - Ms. Swisher asked if the Mutuals could receive lease and sales reports monthly. Mr. Preminger agreed to provide this information.

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 month. In order to expedite the meeting, Ms. Swisher waived reading of the handout and asked that it be included in the official minutes of this meeting. See complete report as follows:

STATUS REPORT

September 21, 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 nine 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 connect new copper piping in the affected G-11 buildings currently having galvanized piping. Residents in each of the G-11 buildings

are being asked to agree to shutdown of water for connection of the new copper lines and entry into their residence for inspection of water flow and repair / replacement of filters and angle stops.

- Continued to evaluate EBMUD water reports for Mutual 4 to identify evidence of major underground water leaks.
- Final evaluation of the vinyl siding on the trash enclosures in Entry #1 and Entry #7. Even without the rubber bumper guards, the siding has remained undamaged. The Mutual is planning to install like materials on five 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.).
- Provide updates to the 2021 draft 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 was out sick and Ms. Brown reported there were 2 landscape requests.

BUILDING MAINTENANCE REPORT

PENDING ITEMS: Proposal review for Approval

5. 1903 SC - \$21,775.00 Columns, Beams, Concrete and Asphalt work including 690 Sq. ft. of new concrete and 86 sq. ft. of new asphalt.
Contractor: Five Star.
(Board to vote to approve contract for the above amount).

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 1st, 2025. -

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

(Helsing has now included a new Reserve funding category for this project.
Board approved and signed FWC Proposal).

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.

(Work is in ongoing).

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.

(Project is scheduled to start in October).

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

(This project is scheduled to start up again September 21st).

5. 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. Scheduling with Davis Plumbing to complete final connections and angle stops as needed).

Mr. Schwartz moved to approve a maximum of \$25,000 for repair of the concrete slab in carport #1903 Skycrest Drive stalls #1 - #4 that includes replacement of the concrete with a 4 inch slab and leveling of the support beam. Ms. Ovalle seconded and the motion carried without dissent.

Mr. West reported that Five Star updated the spreadsheet for sewer drains and promised it for this week. Five Star also updated the spreadsheet for the water pressure test. Mr. West is to request a copy of it.

Ms. Brown moved to ratify the proposal from FWC for work required, due to SB326, to cover 4 years and to be done in 4 phases in the amount of \$78,071. Mr. Schwartz seconded and the motion carried without dissent.

There was a sewer line backup at 2152 Tice Creek. It has been cleared. Five Star found flushable wipes. Ms. Swisher will do a notice for that building.

ARCHITECTURAL CONTROL AND ALTERATIONS: COMPLIANCE

Ms. Swisher reported the following:

- Alterations Updates- Resident alteration requests covering the period 03/01/2020 to 8/31/2020 include:
 - 11 alterations were approved by the Board and are in progress.
 - 14 alterations were completed.
 - 4 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

Tabled

COMMUNICATIONS COMMITTEE

No report

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:
 - Working 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 a policy governing emergency generators is currently underway.
 - 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: Ms. Swisher uses the President's report as the mechanism for listing any work orders or invoices between \$500 and \$5000 that were signed during the past month by her per the requirements of the Board to ensure financial disclosure in the meeting minutes. These include:
 - Steve Adza for \$175.00 for miscellaneous July expenses.
 - Steve Adza for \$175.00 for miscellaneous August expenses.
 - Printer invoice for \$764.94
 - Nice Cans for \$220.50 for July cleaning of the compost bins.
 - Nice Cans for \$176.40 for August cleaning of the compost bins.
 - Adams Stirling for \$588.00 for Election Rules documentation.
 - Adams Stirling for \$2,136.70 for small claims court legal services.
 - Fire Protection Management for \$2,795 for repair of fire hydrant
 - Five Star Painting for \$2,233 to repair concrete sidewalk in front of 2108 Tice Creek #1.
2. Vice President: No report.
3. Treasurer: Ms. Perrich gave the Treasurer's report.

Status of Financial Account

Based on the Financial Report of 08/31/2020, the year-to-date Reserve Fund balance is \$1,822,786 and the year-to-date Mutual Operating Fund ending balance is \$78,317.

The Reserve Fund shows an excess of Revenue over expenses of \$38,367 for the month of August and an excess of Revenue over expenses for year-to-date of \$227,108.

The Operating Fund shows an excess of Revenue over expenses of \$9,295 for August and an excess of Revenue over expenses for year-to-date of \$52,635.

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

4. Secretary: No report.

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

Ms. Perrich explained that City National Bank has a Sweep Account. Using this account means that there will never be more than \$250,000 in the reserves or operating fund accounts on any given day. This ensures that the money is insured by FDIC. If the accounts go over this amount, the money is swept into another account, so all money remains insured.

Ms. Ovalle moved to accept the sweep account investment plan as proposed by Ms. Perrich, so the balance does not exceed \$250,000 at all times. Mr. Schwartz seconded and the motion carried without dissent.

Mr. Schwartz moved to impose a lien on Parcel #189-2200-377 for the value at the end of August-\$7,766.01, which will increase each month if not paid. Ms. Ovalle seconded and the motion carried without dissent.

UNFINISHED BUSINESS

None

NEW BUSINESS

None

ANNOUNCEMENT

Regular Meeting – Monday October 19 at 1:30 p.m. – ZOOM Meeting

ADJOURNMENT

Having no further business, the meeting adjourned at 2:50 p.m.



Anne Paone, Assistant Secretary
Fourth Walnut Creek Mutual

***The Board of Directors met in executive session on July 15, 2020 at 1:00 p.m. to discuss the following:

1. Legal – Resident (Small Claims) – Discussion
2. Contracts – CDARS
3. Member Compliance/Disciplinary Actions – Ms. Swisher to investigate items on common area; Status of Liens

Having no further business, the executive session adjourned at 4:30 p.m.

***The Board of Directors met in executive session on August 12, 2020 at 1:35 p.m. to discuss the following:

1. Personnel – Review and Discussion
2. Legal – Small Claims-update
3. Contracts - Reviewed

Having no further business, the executive session adjourned at 4:47 p.m.