

MINUTES

FOURTH WALNUT CREEK MUTUAL
BOARD OF DIRECTORS MEETING
THURSDAY, SEPTEMBER 28, 2023, AT 9:30 P.M.
IN PERSON & ZOOM
FAIRWAY ROOM - CREEKSIDE

CALL TO ORDER: President Seldon called to order a regular Board of Directors meeting of the Fourth Walnut Creek Mutual at 9:45 a.m. on Thursday, September 28, 2023.

ROLL CALL: PRESENT: Janet Seldon, President
Rajasundaram Sivasubramanian, Treasurer
Robert Amans, Director

EXCUSED: Ward Thompson, Vice President
Jeff Spires, Secretary

STAFF:

Representing Mutual Operations were Rick West, Building Maintenance Manager; John Tawaststjerna, Landscape Manager; and Linda Schoeffner, Assistant Secretary.

President Seldon was ready to welcome the residents on Zoom, but due to technical difficulties with the network, Zoom did not work.

APPROVAL OF CONSENT CALENDAR

The consent calendar consisted of:

Minutes: August 3, 2023: Twenty-Third Annual Members Meeting
August 3, 2023: Twenty-Third Organizational Meeting
August 7, 2023: Executive Session Minutes
August 23, 2023: Special Board Meeting

President Seldon asked for any additions or corrections to the minutes. Hearing none, President Seldon declared the minutes approved as written.

A voice vote was taken. Seldon-y, Sivasubramanian-y, Amans-y (3-0)

MEMBERS' FORUM

"The following statements/opinions expressed by the members of Mutual 4 belong solely to those individuals. The Board of Directors is not obligated to respond or react to what is said. It is recorded in the Minutes for information only."

Members' Forum was held. There were nine members in attendance. One member spoke, reporting that he wrote to Jeff Matherson (General Manager) and Jeroen Wright (Director of Mutual Operations) about the lack of detail in the minutes for the Members Forum. Explanations of exactly what was brought up are not included and was told that the Board should take notes to make sure more information is noted.

PRESIDENT'S REPORT

The topic at the President's Forum was Insurance. Currently, the Governing Documents requires 100% funding in the Replacement Fund to meet code. With the current cost of insurance this is an impossible feat to make. They were discussing cutting the Replacement Fund down to 85% when figuring the 2024 budgets. If not, this could affect buyers/residents being able to get mortgages, refinances, reverse mortgages, etc. purchased by Freddie

Mac and Fannie Mae. All mutuals will need to change the CC&Rs lowering this threshold before 2024. Amending the CC&Rs will require a vote from the residents. Presidents are working on obtaining language from an attorney to use as a draft for all mutuals to use for the wording in the CC&Rs. Presidents suggested Board's hold Town Halls at the end of October to inform the residents how important it will be to **vote** for the CC&R amendment.

TREASURER'S REPORT – Rajasundaram Sivasubramanian

There is one good thing about having a Board meeting later in the month. The Treasurer Siva is happy to report that he has received the August financials.

The August ending balance for the Operating fund was \$566,980 and the Reserve fund was \$2,848,505 for a total of \$3,415,484.

The current state of our mutual is: As of August 31, we have a surplus against the budget of 29K. Utilities were the major factor contributing 43K favorable (Water 32K, Trash 13K, and PG&E-2K). Professional services had a positive variance of 11K. Unfavorable variances Landscape 3K, Insurance 23K, Building Maintenance 15K. Rain Leak contributed about 16K.

As of 8/31/2023, total delinquencies were \$85,274 in past due monthly assessments. In the past Treasurer Siva reported that three manors were responsible for 85% of the total amount. Treasurer Siva is happy to report that this number is about 15K less than what he reported two months ago. However, the bad news is that two manors are responsible for about 90% of these dues (\$77,184).

In an open meeting the Treasurer is not allowed to mention any names. Hence, the Treasurer will refer to this resident using an APN number 186-130-018-2. This resident has a delinquency of over 50K. We have looked at several ways and have finally concluded that we need to turn the account over to Adam Sterling, our legal counsel. Before proceeding with judicial foreclosure (it has pros and cons) we want our legal counsel to contact the County Public Administrator.

Delinquencies on third party billing is \$12,035. Treasurer Siva met with Amanda Davis who indicated that they have someone that is looking at it now and promised to provide an update soon. Special assessments have a delinquency of \$7,858.

Mutual also had interest incomes of \$11,913 in August and \$79,755 for the year. Last year we had an income of \$1,875 for the year for the eight months.

Status of current year special assessment: Over 160 manors have paid the full \$500. About thirty (30) manors have not paid the first installment. Technically they are not delinquent until November. We should send a reminder in our newsletter.

We will be starting on the 2024 budget soon. Most unknown expense will be the cost of insurance. GRF and the insurance task force are working diligently to keep the cost increases as low as possible. The Treasurer recommends everyone to watch the Town Hall presentation arranged by GRF. It is available on You Tube. The Treasurer will be happy to send a link to anyone that wants to watch it.

Treasurer Siva requested three (3) motions:

- ***Treasurer Siva moves that Adam Sterling be authorized to look at contacting the County Public Administrator for dealing with the delinquencies related to***

resident referred to as APN # 186-130-018-2. President Seldon seconded the motion, and it carried without dissent.

Voice Vote: Seldon-y, Siva-y, Amans-y (3-0)

- *Treasurer Siva made a motion to certify that the August financials have been reviewed in accordance with civil code # 5500. President Seldon seconded the motion, and it carried without dissent.*

Voice Vote: Seldon-y, Siva-y, Amans-y (3-0)

- *Treasurer Siva made a motion, "In accordance with the collection policy for the time period between one meeting and the next, those owners who are delinquent will be sent to A.S.A.P. Collection Services to initiate collection activities, including, but not limited to recording a lien and/or any successive liens(s)." President Seldon seconded the motion, and it carried without dissent.*

Voice Vote: Seldon-y, Siva-y, Amans-y (3-0)

MANAGER'S REPORT – Rick West, Sr. Building Manager

Rick West presented the Manager's Report since Jeroen Wright, Director of Mutual Operations, was not in attendance due to holding special 2024 budget meetings with each Mutual.

Rick reported that Helsing, a third-party consultant, completed a 3-year walkthrough update for the Reserve Study report to use as a tool for calculating the Reserve portion of the 2024 Budget. A 3-year site inspection is a requirement by Davis Stirling. This report calculates which components should be replaced and when (painting, concrete, roofing, etc.)

The day-to-day Operating Fund's threshold level is good, except for having to add in the 2024 cost for insurance, which alone could increase at least 50% over the 2023 cost. GRF is working with all Mutuels trying to determine the best course of action to help reduce costs. Currently, Mutuels are considering amending the CC&Rs to reduce the Reserve Fund requirement from 100% to 85% not only to obtain insurance, but also to allow Fannie Mae and Freddie Mac to continue to fund mortgages, refinance, reverse mortgages, etc.

LANDSCAPE AND GROUNDS, FIRE CLEARANCE - John Tawaststjerna - MOD

MOD Days are coming, October 17th – October 27th, during this time replacement plants will be planted. MOD received forty requests for plants. Other rehab work will be done as well during this time.

Terra will begin fertilizing the shrubs, trees, and lawns.

There will be three (3) trees removed by Hamilton Tree Service. The trees are located at 1901 Skycrest #12 (2 pines) and 1957 Skycrest Entry 14 (1 pine). A birch tree in Entry 17 will also be removed. Hamilton Tree Service will remove four (4) trees for \$14,200.

President Seldon made a motion to approve Hamilton Tree Service's proposal to remove four (4) trees located at 1901 Skycrest #12 (2 pines), 1957 Skycrest Entry 14 (1 pine), and a birch tree in Entry 17 for \$14,200. Treasurer Siva seconded the motion, and it carried without dissent.

Voice Vote: Seldon-y, Siva-y, Amans-y (3-0)

John informed the Board that this work will go over budget for trees on the Reserve Fund

but will even out when adding in the Reserve Fund for the rest of 2023.

BUILDING MAINTENANCE REPORT:

Rick West reported as follows:

INFORMATION ITEMS: Work scheduled in progress or completed.

1. **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.
Contractor: FWC - Destructive testing and put back will be completed by others.
Contractor: Alp Construction was awarded phase I repairs.
(Estimated Cost \$65,506.00).
2. **Roofing Project – 2109 Sky Crest – DuraLast, Tile to Comp. Gutter & Downspouts.**
Contractor: Fiala Roofing. Project scheduled for 2023.
Rain Leak repairs and Balcony repair work are also included in this project.
3. **Dry Rot and Touch Painting Project Contractor: MOD was awarded this project.**
Skycrest / Pine Knoll / Tice Creek will be completed for an additional cost of \$50,000.00.
(The final phases will be completed in 2024).
4. **Project: Mutual 4 Repaving - Skycrest Drive E1, E12, E13, E13A, E14, & E14A**
Contractor: Black Diamond Paving
4" Asphalt Replacement
Asphalt Replacement Total \$139,992.00.
Project Completed.

COMMITTEE REPORTS

- Government Documents - Kathleen Bridgeman, Chairperson
- Firewise Committee - Ward Thompson, Chairperson
- Trash - Deb Hachen, Chairperson
- Communications Committee - Carl Brown, Chairperson
The Technology, Emergency Preparedness, and EV Committees will be included in
the CC&R when amended.
- Architectural Control and Alterations Compliance - Linda Brown, Chairperson

OFFICERS REPORTS:

- President - Janet Seldon
- Vice President - Ward Thompson
- Secretary - Jeff Spires
- Treasurer - Rajasundaram Sivasubramanian

UNFINISHED BUSINESS

NEW BUSINESS

- Authorization for Sang Electric to proceed with labeling of electric panel circuits for carports. Need this for EV committee.

President Seldon made a motion to approve having volunteers label circuit breaker so vendors will know what breakers control what items and areas throughout the Mutual. There shall be no EV circuitry installed in carports without a PG&E upgrade. Treasurer Siva seconded the motion, and it carried without dissent.

Voice Vote: Seldon-y, Siva-y, Amans-y (3-0)

- Discussion of Attic Fire Breaks – This work would be done in stages over years.
- Ratify Engineers Proposal - 2109 Skycrest Dr. #3 – FWC – This contract was previously approved at a special meeting.
- Assign Committee Chairs:
 - Government Documents – Kathleen Bridgeman
 - Firewise Committee – Ward Thompson
 - Trash – Deb Hachen
 - Communications Committee – Carl Brown
 - Alterations – Linda Brown

ANNOUNCEMENT

Next Meeting – The next Board of Directors Meeting will be on Monday, October 16, 2023, in the Board Room (Gateway) starting at 1:30 p.m. This will be a Hybrid meeting.

ADJOURNMENT

Having no further business, the meeting adjourned at 10:26 p.m. The Board will go into an Executive Session to discuss a Disciplinary Hearing.

Executive Sessions:

Call to Order at 10:00 a.m.

*** The Board met on September 27, 2023, by Zoom with Legal at 10:00 a.m. to discuss amendments and additions to the CC&Rs and Policy. They also discussed a violation review. The Board deliberated on how to proceed with the amendments and violations. Having no further business, the Executive Session adjourned at 10:45 a.m.*

Called to Order at

*** The Board met in Executive Session for a Disciplinary Hearing on Thursday, September 28, 2023, at the Fairway Room/Creekside for CC&R violations. The Board made a motion to assess a \$500.00 fine to Account # 21929 due to multiple occurrences.*

Having no further business, the Executive Session adjourned at 11:47 a.m.

Linda Schoeffner

Linda Schoeffner, Assistant Secretary
Fourth Walnut Creek Mutual