



She introduced Sandy Skaggs as the Vice President and advised that he generally works on the golf ports and electric cars.

Clay Dunning is the Treasurer and he has been working on parking issues and carports.

Pat Dulmage is a director-at-large and works on landscaping and laundry issues.

Dick Unitan is the secretary and he deals with Emergency Preparedness and is responsible for trash enclosure problems.

The Board finds that this works well as everyone has an area of expertise.

Ms. El-Baroudi asked that each Board member advise the membership about what they are doing.

## DIRECTORS' REPORTS

Sandy Skaggs - Mr. Skaggs reported that the Mutual owns a number of golf ports. There are about 77 spaces and they are available to rent on a first-come, first-serve basis according to the policies. It is fair that rent be paid at a market rate. Historically the rent has been \$10 a month. Other Mutuels have raised their rental fees. The Board is considering an increase from \$10 to \$20 per month. The electricity is used by most golf carts and the gas carts are phasing out. Most golf ports have an outlet for charging. The electric in common areas is paid for by the entire Mutual. Other Mutuels have begun charging for the electrical use by golf carts. Second is considering doing this, too. The rate is \$5 per month or \$60 annually and Second is thinking of doing the same. It is a struggle to charge everyone fairly. There are no meters, so it will be an approximation. State law requires the Mutual to accommodate people that want to install a charging station. The expense and insurance is at the user's expense. The Board is in the process of adopting a policy that will comply with state law.

Clay Dunning – Mr. Dunning reported that his position involves all things financial, budgets and assessments. Carried over from last year is the outstanding receivable of \$500,000 owed to us by an insurance carrier. They have not paid yet and he is tracking the status. He chairs the Trust Review Committee and they are monitoring the Trust Review and Revision Committee to see what is being proposed and to provide input to that committee. He is also responsible for carports and parking. The carport issue is mostly one of safety and cleanliness. There is a committee that is actively monitoring those conditions. Parking is a related issue. The committee is trying to gain everyone's compliance in this matter.

Pat Dulmage – Ms. Dulmage reported that she is responsible for the laundry rooms and is the landscape liaison between Rich Perona and the residents. The laundry rooms are running smoothly right now. She thanked the residents for reporting problems. She thanked Pete and John for doing repairs. They save working parts to be used in the other machines. The cleaning crew is keeping the laundry rooms very clean. In 2014, 53 new dryers were purchased at almost half-price. This will eliminate dryer problems for years to come. There are 46 old washing machines. They were downsized based on usage. We have ten stored washing machines.

She thanked the membership for understanding the restraints the Board placed on planting because of the drought. She has a list of 14 different areas for plantings.

Once the rainy season starts, she will put in a work order for the requested plantings. They have not cutback on landscape rehab. Entry 6 on Singingwood is finishing up. She and Rich Perona will meet with residents in entry 4 and will start working there on the rehab.

Dick Unitan – Mr. Unitan reported that he has the responsibility of overseeing the Emergency Preparedness Organization. Their function is to provide for entry coordinators. Rose Kasmai oversees Rossmoor. Only 40% of SWCM is covered with entry coordinators. If an emergency occurs, the coordinator goes to the resident to see if they need assistance. They have 2-way radios to contact CERT. CERT can do search and rescue. They also do triage and can transport people to the triage area. There is a CERT drill on Sat, October 5<sup>th</sup> in the parking lot behind the arts and crafts building. They will set up for a triage scenario so they can practice for an emergency. He also takes care of trash enclosures. If they are overfilled, he encourages all to break down the boxes and recycle them.

He established the Water Conservation Committee. Mr. Unitan acknowledged Barbara Konin. She has been the correspondent with the Rossmoor News and has prepared articles on water conservation and writes educational information.

There is a company that we have contracted with that will come to your door to pick up electronics, paint, aerosols, batteries and other materials. The service is for free.

## MOD REPORT

Paul Donner presented a slide show to the membership regarding the water conservation efforts of Second Mutual. It included some statistics and conservation information.

- Rossmoor's water comes from the East Bay Municipal Utility District (EBMUD). They rely on rainwater and snow packs each year.
- EBMUD reservoirs are at 68% of their normal capacity.
- Rate increases from EBMUD were 9.75% on July 1, 2013 and 9.5% on July 1, 2014. These increases were used to offset infrastructures and fund the Freeport pump station. This station can pump water from the delta to other water stations.
- EBMUD requested a 10% volume reduction in irrigation and a mandatory watering of only twice weekly.
- The water comes on every day because different stations and controllers are in use each day.
- Second Mutual spends over \$700,000 a year on water. Second Mutual has reduced water usage by 20% while continuing to maintain plant health.
- The controllers are ET Water Smart Controllers. The system is controlled by satellite. There is a weather station on the roof at MOD. The satellite flies over, takes a reading and sends the information to a computer which calculates how much water is needed. This ensures that each zone is watered correctly. The system can be manually adjusted through the computer, too.
- If the drought continues, there may be more restrictions.
- EBMUD can refill the reservoirs from a delta pumping station. If they need to do this, there will be a 14% rate increase.

- The Mutual should expect further EBMUD rate increases due to the lack of revenue from less water usage.

Mr. Donner reported that residents should check their toilets and faucets for leaks. They should report broken sprinklers to the work order desk via telephone at 925.988.7650 or send an email to [workorder@rossmoor.com](mailto:workorder@rossmoor.com).

Residents should wash their cars at a car wash, not on the property. Residents should install low flow shower heads and faucet aerators. Do not leave the water running when brushing your teeth or shaving.

On average, 14% of water usage is lost to leaks. A resident can use food coloring or dye tabs placed in the tank of the toilet. If the color shows up in the bowl, there is a leak.

### PRESENTATION OF 2015 SECOND MUTUAL BUDGET

Mr. Donner presented the 2015 budget. The budget was developed through staff working with the Board. We look at 2013 actual expenses and 2014 actual expenses to July. We do some forecasting and lots of discussion. The management fee has been decreased by \$.03. Building maintenance will increase by \$3.52 in the operating budget and is driven by plumbing. The infrastructure is aging and pipes are corroding. Landscape is up \$1.31. This is due to a contractual union increase. Insurance is up \$4.72 with a 5% rate increase. The insurance is placed in late December. Utilities are up \$5.01 and that is due to water. The reserve account will be increased by \$8.71. This is to cover expenses and to increase the fund balance. We are trying to increase the fund balance to get to a more acceptable level. If we grow the reserves by \$150,000 per year, the level should be at three million dollars by 2025. We want to increase the working capital in the operating fund. That is reflected by an increase of \$3.48 on the coupon. We need to build up working capital in the operating fund. Due to overruns in plumbing and water, we had to spend some of the excess in working capital. The GRF increase is \$.58 and the cable TV is up \$1.03 for a total of \$1.61. The increase on the coupon for 2015 will be a total of \$25.00 per manor per month bringing the coupon amount to \$692.00.

Mr. Chakoff is creating a financial analysis which would compare the cost of the earthquake insurance vs the probable maximum loss that would be incurred if there was a severe event.

Mr. Dunning reported that he will share some information that he will introduce during the organizational meeting, which will be an alternative proposal to raising the reserves.

### ELECTION RESULTS

President Barbara El-Baroudi declared that the following Directors have been re-elected by acclamation as follows:

Richard Unitan	Three-year term (2017)
Sandy Skaggs	Two-year term (2016)

## RESIDENTS' FORUM

Diane Matley stated that the Board has done a great job. She suggested that the carport rules are so detailed and she thinks they are too specific. She would like some flexibility.

Mr. Dunning pointed out that living in a common interest development requires rules. That is why the Mutual has the policies in place.

The issue of FEMA was addressed. A resident wanted to know if FEMA would provide coverage for co-ops. Ms. El-Baroudi will bring this up at the Presidents' Forum.

A resident commented that the Board should charge the electricity to the person using it for their golf cart.

## ANNOUNCEMENTS

Ms. El-Baroudi announced that due to the Annual Meeting, there will be no regular board meeting this month. She also announced that the Organizational Meeting would immediately follow adjournment of the Annual Meeting.

Next SWCM Regular Board Meeting      Thursday, November 20, 2014  
9:00 a.m. – Peacock Hall

Having no further business, the Forty-Third Annual Membership Meeting was adjourned at 11:10 a.m. to an organizational meeting to elect officers.

Ms. El-Baroudi again thanked the Board and residents for their interest and participation in Second Walnut Creek Mutual.

/s/ \_\_\_\_\_  
Dick Unitan, Secretary  
Second Walnut Creek Mutual