

WALNUT CREEK MUTUAL SEVENTY
MINUTES
THIRD ANNUAL MEETING OF THE MEMBERSHIP
FRIDAY, JUNE 20, 2014
FIRESIDE ROOM – GATEWAY COMPLEX

OPENING

President Rowe opened the meeting at 10:00 a.m. and introduced Directors Cunningham, Cruson, Dietschy and Matthews.

Mr. Rowe welcomed the 32 residents present. Fifty-two owners were needed for a quorum (30% of the total number of 172 member owners), however since there were no items to be voted upon at the meeting, a quorum was not required.

Staff was represented by Rick West, Building Maintenance Manager; Steve Ormond, Landscape Supervisor; Paul Donner, Director of Mutual Operations; and Anne Paone, Administrative Secretary.

PROOF OF NOTICE OF MEETING

Ms. Dietschy certified that notice of the annual membership meeting appeared in the *Rossmoor News* on April 9, April 16, and April 23. A notice was mailed on May 7, 2014 by first class mail to each membership household in accordance with Section 4.4(a) of the Bylaws of Walnut Creek Mutual Seventy.

APPROVAL OF MINUTES

President Rowe asked for any additions or corrections to the minutes of the Second Annual Membership Meeting and the Organizational Meeting held June 21, 2013. Hearing none, Mr. Rowe declared the minutes approved as written and reviewed.

ELECTION RESULTS

Mr. Rowe reported that there were two openings and only two people announced their candidacy. Incumbents Ellen Dietschy and Alan Matthews were elected by acclamation.

REPORTS OF OFFICERS

President's Report - Mr. Rowe reported that the Mutual is a new Mutual and things seem to be going well. He is very proud of the staff, members of the Board and the membership. He reported that there were some large expenses this year for attorney fees. The Board has completed the new Operating Rules and they will be mailed out in the near future.

The Board will be working on the enforcement of rules. Exclusive-Use Common Area is an issue that needs to be addressed. This includes members' decks, garages, and carports. They are used by the member, but they belong to the Mutual. The Board will also address parking and storage issues. A new resident may use their garage to store moving boxes for sixty days. After that, the garage should be used for its intended purpose, which is the parking of your vehicle. Carports can only have limited storage.

Vice President's Report – Mr. Cunningham thanked Linda Webster for her work on the committee that addressed the Operating Rules and other documents. The Board worked very hard under Mr. Cruson's leadership to redo the documents.

Secretary's Report – Ms. Dietschy discussed the advantages of having members' email addresses, as important information could be sent expeditiously. She directed everyone's attention to the clipboards on the reception table and asked that they sign up today. She will oversee this project.

Treasurer's Report – Mr. Cruson explained the operating and reserve funds. The operating fund takes care of the day-to-day expenses and the reserve fund takes care of major projects. He stated the operating expenses through May 31, 2014 were \$244,327. The operating revenue over expenses was \$36,929. The operating fund ending balance is \$61,399. The reserve expenses were \$94,259. The revenue over expenditures was \$58,282. The reserve fund ending balance is \$1,458,096. The total fund balances is \$1,519,495. Operating and reserve expenses are favorable to budget.

BUILDING COMMITTEE REPORT

Mr. West has come to Mutual 70 from the Waterford. He placed copies on the table for the roofing schedule for the next three years. He reported that State Roofing will start on July 7 for phase 2. Notices will be going out to advise residents that the downspouts will be taken down to begin the roofing project. Sewer overflow protection devices will be done on the 3-story buildings. One building has been completed. We are looking into sump pumps for the elevators. The board is considering possible termite inspections for next year.

Mr. Rowe announced the schedule for roofing for the other buildings.

LANDSCAPE COMMITTEE REPORT

Mr. Ormond works closely with the landscape committee. This committee is very dedicated and active in Mutual 70. When MOD does the landscape rehab they only charge for materials. Valley Crest, an outside contractor charges for labor and materials. Mr. Ormond thanked the landscape committee for the excellent job that they do.

Mr. Rowe reported that the Mutual has lost two large trees due to wind and old age. He thanked Mr. Ormond and Ed Waraner for taking care of the removal of these trees. If there is a dying or dead bush, report it to your landscape representative and they will ask that it be removed, but not replaced, due to the drought. It would require too much water during this drought. The area will be covered with bark.

BUDGET AND FINANCE COMMITTEE REPORT

Mr. Cruson reported that the committee and the Board go through the reports and expenses very carefully. This assists them in correctly preparing the budget for the following year.

EMERGENCY PREPAREDNESS COMMITTEE REPORT

Ms. Dietschy reported that she is the former president of the EPO. She retired from that committee to spend her time with the Map Your Neighborhood program. She reminded the membership that the folks that live closest to us will be the first people to respond. She encouraged all Mutual residents to keep emergency supplies on hand at all times. This includes one gallon of water per person per day, and boxes and cans of food to last at least seven days. The Map Your Neighborhood program has been very successful.

Mr. Rowe advised that if anyone would like to get involved, they should contact Ms. Dietschy.

ALTERATIONS COMMITTEE REPORT

Mr. Matthews reported that alterations is an interesting committee. It is the only committee that can make decisions independent of the Board. The committee tries to make it as easy as possible to keep a uniformed look throughout the Mutual.

Mr. Cunningham reported that there had previously been interest in having standards for front doors. Alan and he surveyed all of the front doors in entry 2. The result is that doors should be stained medium to dark walnut. There is a design standard. MOD checks the units when they are being sold. If you sell and have no permit, you must get a permit when you sell. MOD will have examples of the different styles of doors available to owners.

The Mutual and MOD try to get applications done in a timely manner.

AD HOC RESERVE STUDY COMMITTEE REPORT

Mr. Rowe reported that Helsing is walking through the Mutual right now. The report reflects how long components should last. Some of the components are roofs, driveways, painting of the building, decks, railings, etc. This is a thirty-year study. The committee reviews the study to ensure that all components are included.

GOVERNING DOCUMENTS COMMITTEE REPORT

Mr. Cruson reported that the CC&Rs, Bylaws and the Operating Rules are finished. He urged the membership to read the documents, especially the Operating Rules.

Mr. Rowe expressed that there was a tremendous amount of time and effort that went into these documents. It is very much appreciated.

MOD – Paul Donner

Mr. Rowe advised the membership that he invited Mr. Donner to address the Mutual, primarily about water.

Mr. Donner reported that everyone is involved in a horrible drought. There has been a voluntary cutback of 10%. He is working with EBMUD to try to get water-saving devices in bulk. This would include low-flow shower heads and toilet kits. They are available online through a survey, but he would like to have them available on site for the residents. Perhaps EBMUD could be onsite for a day with these kits.

The good news is that EBMUD is in good shape. They have raised rates and those increases have been built into the budget. They have built a pumping station in Freeport. They may pump in late fall to fill the reservoirs. When they do pump from the Freeport station to fill the reservoirs, they will charge an additional 14% while they are pumping. The rates will then go back to the standard rate. An EBMUD representative will speak at the next Presidents' Forum.

UNFINISHED BUSINESS

None

NEW BUSINESS

None

MEMBERS' FORUM

Marilyn Weiss, Entry 6 – Ms. Weiss discussed the paving of the road and entries. There is black ink coming off and when a resident goes into their home, it gets on the carpet.

Mr. Donner reported that they were somewhat aggressive with the company, but they couldn't find anything that was violated regarding the warranty. He believes that in the future, the Mutual will need more than a slurry seal, but a complete asphalt overlay.

There was a question regarding projections that are made. Does the Board project and compare revenue from last year?

Mr. Cruson reported that the financial report is a monthly report and compares the amount of expenses to the amounts budgeted for the year. The reserve shows a 30-year projection of expenses. This is reviewed yearly.

Mr. Rowe pointed out that everyone will receive a copy of the budget in November.

Gail Sexton, Entry 8 – Ms. Sexton was unclear on the roof schedule. Mr. Rowe clarified that phase 4 is all of the carports. Phases 2 and 3 are the trash areas where the roofing is being done.

Barbara Philips, Entry 7 – Ms. Philips wanted to know if the financials can be emailed to the membership. Mr. Cruson prepares a report that can be emailed. Mr. Rowe said some documents are on the website. The Board will take emailing under consideration, as it is a possibility.

A resident in Entry 2 on Avenida Sevilla reported that he called security regarding a vehicle parking in guest parking. The car has not moved for several days. Securitas can mark the tires and if the car is not moved, they will tag the car.

Mr. Rowe said it is a problem for the Mutual and the Board. Some people don't follow the rules. The Board is working on this issue.

Mr. Cruson reminded the membership that golf carts should park in the garage or carport.

A resident brought up the slurry seal again and asked some questions. Mr. Donner reported that he didn't have any information with him about this issue. He will bring information to the next Board meeting.

A resident of Entry 4 stated that he likes the email idea. Additionally, he would like to know who to call for problems.

Mr. Rowe advised him to call the MOD work order desk or send an email to workorder@rossmor.com.

The membership was advised that if someone comes to their door and says they are from MOD, the resident should ask for identification. The person should be wearing a uniform that identifies what company employs them.

Sally Kirby stated that she thinks it is time to get an attorney involved with the slurry issue.

ADJOURNMENT

Having no further business, the Third Annual Membership Meeting adjourned at 11:20 a.m. to an Organizational Meeting to elect officers of the corporation.

/s/

Ellen Dietschy, Secretary
Walnut Creek Mutual Seventy