

M I N U T E S  
WALNUT CREEK MUTUAL EIGHT  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
TUESDAY, MAY 5, 2015 at 9:30 P.M.  
VISTA ROOM – HILLSIDE CLUBHOUSE

The Annual Membership Meeting of WALNUT CREEK MUTUAL EIGHT was convened by President Cindy Ware at 9:30 a.m. on Tuesday, May 5, 2015 in the Vista Room of Hillside Clubhouse, 3400 Golden Rain Road, Walnut Creek, California.

ROLL CALL

Present:	Cindy Ware	President
	Craig Miller	Vice President
	Bob Viator	Secretary
	Julie Narvaez	Treasurer
	Jeanette Mungiole	Director

Staff was represented by Paul Donner, Director of Mutual Operations; Rick West, Building Maintenance Manager; and Sharon Fees, Board Services Coordinator.

There were twenty-nine additional Mutual Eight households represented and therefore quorum was met.

President Ware welcomed and thanked everyone for their attendance.

CERTIFICATION OF NOTICE

Sharon Fees read the Certification of Notice of Meeting verifying that announcement of the meeting was distributed to Mutual members and that it was advertised in the Rossmoor News.

APPROVAL OF MINUTES

Bob Viator moved and Craig Miller seconded to approve the Minutes to the May 6, 2014 Annual Meeting and the Minutes to the January 20, 2015 Regular Meeting of the Board as presented. The motion passed unanimously.

REPORTS

PRESIDENT'S REPORT -- Cindy Ware

Cindy Ware reported on the following:

Ware welcomed all of the new residents who moved into Mutual 8 since the last Annual Meeting and announced that a light meet and greet lunch will be served after this year's Annual Meeting adjourns.

Ware continued by citing ways in which the Mutual is enhancing communication and esprit de corps amongst residents. These efforts include the Snack and Chat get togethers that take place the first Thursday of each month (weather permitting), the Quarterly Newsletter published by Bob Viator, the Mutual 8 Electronic Bulletin Board which is administered by resident Lou Swithenbank, and the

availability of the Policy Blue Book for all members. Ware acknowledged Bob Viator's many years of producing the newsletter and asked for a volunteer who is familiar with Microsoft Word to work with bob and then become the new editor.

Ware encouraged all Mutual members to comply with FEMA, State, and County recommendations that suggest that individuals be prepared with three-day's worth of food, water, and medications in case an emergency occurs and sheltering in place is required.

She informed the assembled group that Solar-Powered Rossmoor is researching the logistics of getting a solar array installed on GRF property in the effort to power all of the Trust Facilities. Such an array could likely save several hundred thousand dollars annually.

### FINANCIAL REPORT

Paul Donner reported that as of March 31, 2015, fund balances were \$83,750 in the operating account and \$371,881 in reserves. The Mutual is slightly better than budget and is currently in a very strong financial position.

Paul Donner answered Board Director questions.

### LANDSCAPE REPORT -- Paul Donner for Rich Perona

All turf areas were fertilized last week. Lawns were also aerated and treated for broadleaf weeds.

The irrigation system is only watering two days a week as required by EBMUD. Residents are encouraged to call or email the order desk (988-7650 or [workorder@rossmoor.com](mailto:workorder@rossmoor.com)) if irrigation problems are noticed.

Entry crews are on monthly schedules concentrating on pruning shrubs and groundcovers, weeding, and doing debris clean-up.

Waraner Bros. Tree Service handles tree work orders. All trees were pruned earlier this spring.

The MOD Landscape Crew is currently working on several landscape projects throughout the Mutual.

Again, all landscape problems should be reported to the Order Desk by calling 988-7650 or emailing [workorder@rossmoor.com](mailto:workorder@rossmoor.com). Rehab requests should be directed to Jeanette Mungiole.

### BUILDING MAINTENANCE REPORT

Rick West reported on the following:

Rick West reviewed various projects that the Board needed to approve expenditures for under New Business. Details of these projects and motions for their approvals can be found under New Business.

West explained that the plumbing in 50 years old in Mutual 8 and that some of the galvanized pipe is corroded and compromised. Piping replacement with copper piping needs to take place in some buildings in the next few years, but will have to be done in stages because of the high cost of the project. It will begin with 1232 Skycrest. Adding to the high cost of the project will be expenses incurred by the Mutual due to temporary resident displacement.

The installation of the Entry 4 reflective markers is complete and was done for a cost of \$300.

Rick West answered Board Director and resident questions.

### COMMITTEE REPORTS

#### FINANCE COMMITTEE – Max Mungiole

Chairman Max Mungiole stated that the Finance Committee is an open committee for each and every Mutual member to have access. He said that Committee looks at every facet of running the Mutual in order to find opportunities to run even more efficiently and cut costs when possible. He added that the Committee makes no decisions, but rather offers recommendations for the Board of Directors to decide upon.

One challenge for the Committee and Mutual to grapple with is the recently announced eight percent increase in EBMUD rates that will be imposed in July. The other unexpected cost is a 25 percent surcharge that may be levied by EBMUD in the autumn. Should the 25% surcharge take place in addition to the EBMUD increases in 2013, 2014 and 2015, a purchase of water that cost \$100 in May, 2013, would cost \$169 in October, 2015.

The Mutual is saving money by reducing water use through lawn conversions and carefully monitoring all irrigation. The Committee will investigate additional ways to save money in regards to the eventual water pipe conversion project.

Mungiole concluded that the Mutual is in a solid financial position.

#### LANDSCAPE COMMITTEE – Jeanette Mungiole

Jeanette Mungiole reported that the Landscape Committee is not only identifying areas for lawn conversions, but that the Committee is also looking at ways to keep the new landscaping as colorful and aesthetically pleasing as possible. The conversions will include two new patios, in front of 1232 and 1138 Skycrest respectively, to provide outside relaxation and gathering spots for neighbors.

#### MEMBERSHIP COMMITTEE – Cindy Ware for Julie Narvaez

Cindy Ware announced that an updated Mutual 8 Directory will soon be published and that henceforth, the Directory will be published each year within approximately 30 days of the Annual Meeting.

#### EMERGENCY PREPAREDNESS COMMITTEE – Cheryl Gray

Cheryl Gray reported on several topics:

A locked cabinet was established in the Entry 4 Laundry Room to be the receptacle for Mutual emergency supplies. These Mutual supplies do not include the personal supplies of water, food, and medicine that individuals should have gathered in the event of an emergency.

Gray had several informational pamphlets on display and available to residents regarding emergency preparedness.

A mini-drill is being planned to take place in the summer.

The Map Your Neighborhood (MYN) program is available to Mutual 8 residents. Neighbors interested in hosting a MYN meeting should contact Gray.

The Mutual is always accepting volunteers to act as Entry Coordinators. Interested residents should contact Gray.

Gray fielded resident questions and comments.

#### SOCIAL COMMITTEE – Sally Kennedy

Sally Kennedy reported that the first Snack and Chat event took place last month and was a rousing success with over 30 attendees participating. Snack and Chats are held the first Thursday of the month, weather permitting, from 5 – 7 p.m., in Entry 4 in front of 1208 Skycrest. Attendees are asked to bring finger foods or beverages to share. Residents with questions or those who would like to help set up or clean up should contact Kennedy. The next three dates for the Snack and Chat are May 7, June 4, and July 2.

The annual Summer Pot Luck is scheduled for Friday, August 14, from 5:30 p.m. – 7:30 p.m. at the Dollar Clubhouse.

#### ELECTION RESULTS – Bob Viator

Bob Viator announced that Bob Eisner was seated on the Board by acclamation as no other candidates stepped forward to volunteer for the position. Viator swore in Eisner and Eisner was warmly welcomed back to the Board of Directors by the assembly.

Outgoing Board Director Jeanette Mungiole was sincerely thanked for her service to the Mutual as Board Director. Mungiole will continue as Landscape Chairperson, for which the Mutual is grateful.

#### OLD BUSINESS

Removal of pavement sealant for buildings 1122, 1138, 1208, 1232, and 1268: Craig Miller moved and Bob Viator seconded to approve the bid submitted by Welcome Building Maintenance for \$1,380 in order to sand blast the stairways and landings at 1122, 1138, 1208, 1232, and 1268 Skycrest. The motion passed unanimously.

## NEW BUSINESS

2015 Building Rehab Project: Craig Miller moved and Bob Viator seconded to accept Toupin Construction's bid for \$15,323 in order to perform rehab on buildings 1138, 1154, and 1108 Skycrest. The motion passed unanimously.

2015 Painting Project: Craig Miller moved and Bob Eisner seconded to accept the proposal submitted by Pacific Trim for \$26,700 in order to paint 1138, 1154, and 1108 Skycrest. The board selected the higher bid from Pacific Trim because the extensive preparation work done in the past by the firm is very cost effective. The motion passed unanimously.

2015 Roofing Project: Bob Viator moved and Craig Miller seconded to accept the proposal submitted by Ben's Roofing for \$39,930 to re-roof the flat part of the roofs, with Duralast product, on 1114 and 1324 Skycrest. Ben's Roofing is rated by Duralast at 98%. Duralast performs a pre- and post- work inspection and will not warranty any job until the firm has inspected it. The motion passed unanimously.

Solar Power: Cindy Ware encouraged residents to stay in tune with solar power possibilities. Information can be found in the Mutual 8 newsletters.

Landscape Projects: Bob Eisner moved and Bob Viator seconded to approve the bids submitted by Terra Landscape for 1138 and 1154 Skycrest for the amount of \$9,245 and at 1232 for \$3,560, to perform lawn conversions at each location. The motion passed unanimously.

Trust Agreement Rewording: Bob Viator reported to the Board that in April 1964 a Trust Agreement (TA) was signed between an entity called the Golden Rain Foundation of Walnut Creek (Trustee) and Walnut Creek Mutual No. One (Trustor) that defined how the common areas and properties of what had once been the Dollar Ranch were to be administered. At that time there was only one mutual homeowners association in the valley—known today as First Walnut Creek Mutual. Today there are eighteen separate mutuals in Rossmoor. This original TA, drawn up by lawyers for GRF, is very one-sided. It spells out the rights of the GRF, which it can interpret at its own sole discretion. It grants only two significant concessions to the Trustor—the right to dismiss GRF as Trustee or amend the original document by a *unanimous* vote, and the assurance that any actions taken by GRF must be in the interest of the Trustor. (How that interest is to be determined is not defined.) Because the United California Bank and the U.S. Department of Housing and Urban Development financed the building of home owner units, and because several individuals were party to this agreement, the wording of this document was complex, intended to hold up in court rather than to be easily understood.

In 2010, the GRF formed a committee to “amend and restate the Trust Agreement” to “better define the rights and responsibilities of the parties thereto.” Throughout the process of “cleaning up” the wording of the original TA, the changes were described as being “not substantive.”

However, the restated document, in fact, looks very different from the original. For example, there is now in Section VII a paragraph N that states: “TRUSTEE in its sole discretion shall determine the extent of the services to be provided in connection with the IMPROVEMENTS and the rules and regulations with respect to the use of IMPROVEMENTS.” There is no similar wording in the original

Section VII. There is also in the reworded Section VII a new paragraph O that reads, "With respect to all such transactions, TRUSTEE shall have no liability concerning them whatsoever, except for willful and wrongful misconduct." This is a big loophole, and we don't find similar wording in the original TA.

The eighteen Trustor mutuals still have no power in dealing with GRF except to dismiss the GRF as Trustee, which we are assured would create a "taxable event" whereby much of the common area would have to be sold off to pay taxes on the now very valuable real estate involved. Therefore, I think it would be imprudent to sign the reworded document (which would imply approval of the changes).

It is the opinion of the Mutual 8 Board of Directors that the restated document needs to be reviewed by attorneys working in the interests of the eighteen mutuals and, if necessary, be renegotiated. And there needs to be a mechanism for amending or dissolving the TA by a supermajority of mutuals in order to give the mutuals a say in governance on their behalf.

Based on this analysis and opinion, Craig Miller moved and Julie Narvaez seconded to disapprove the restated Trust Agreement, dated December 2014, as presented by the GRF Trust Agreement Review and Revision Committee. The motion passed unanimously.

Helsing Contract: Cindy Ware moved and Bob Eisner seconded to approve the contract to maintain the Reserve Study as presented by The Helsing Group. The motion passed unanimously.

Low-Flow Toilets: In 2019 all manors will be legally required to have low flow toilets installed. As toilets are major consumers of water it would be very helpful to the Mutual's water saving efforts if the low flow toilets were currently installed. M8 policies prescribe that members are individually responsible for toilet installation/s and a \$50 rebate is currently available from EBMUD. It was considered that a discounted cost could be secured if a significant number of members would have them installed at the same time. Accordingly, a dozen interested members recorded their names on the sign up sheet that was passed around.

#### RESIDENTS' FORUM

Residents were afforded the opportunity to share their comments and have questions answered.

#### ADJOURNMENT

Having no further business, the meeting adjourned at 10:53 a.m. to go into an Organizational Meeting.

The next scheduled meeting: Quarterly Board Meeting, Tuesday, July 21, 2015 at 1:30 p.m., Board Room, Gateway.



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Sharon Fees, Assistant Secretary  
Walnut Creek Mutual Eight



