

BOARD OF DIRECTORS ORGANIZATIONAL MEETING

Tuesday, October 10, 2023 at 10:00 a.m.

Meeting was Conducted Virtually

MINUTES

1. **Call to Order**

President England called the meeting to order at 10:01 a.m.

2. **Roll Call of Directors**

Mary A. England – President – District 5
Pat Donahue – 1st Vice President – District 4 – *Absent*
Barry Hirsch – 2nd Vice President – District 3
Jen Moreau – Secretary – District 2
Jean Autrey – Treasurer – District 1

MOD Staff

Jeroen Wright – Director of Mutual Operations
Dave Peakes – Building Maintenance Manager
Bud Baxter – Budget Manager
Victoria Thomas – Board Services Coordinator

3. **Residents' Forum**

Members were afforded the opportunity to express their concerns, make comments, or have questions for the Board. Comments included: it was requested that the Mutual not approve improvements causing more insurance liability exposure.

4. **Filing Board Director Vacancy**

Due to a Board Member resigning the District 3 Board Director position was vacant. A Call for Candidacy was completed. Four candidates submitted their nomination for the position. Thomas called for a vote on each candidate with a result of four votes for Young Chung.

5. **Appointment of Director Positions**

Moreau proposed to appoint the Director positions:

Mary A. England as President
Approved by unanimous vote. (4-0)

Pat Donahue as 1st Vice President
Approved by unanimous vote. (4-0)

Young Chung as 2nd Vice President
Approved by unanimous vote. (4-0)

Jean Autrey as Treasurer
Approved by unanimous vote. (4-0)

Jen Moreau as Secretary
Approved by unanimous vote. (4-0)

FIRST WALNUT CREEK MUTUAL

6. **Appointment of Tom Hand as Assistant Treasurer**

Motion made by Autrey, seconded by Moreau, to appoint Tom Hand as Assistant Treasurer. Approved by unanimous vote. (4-0)

7. **Appointment of Victoria Thomas as Assistant Secretary**

Motion made by Moreau, seconded by Chung, to appoint Victoria Thomas as Assistant Secretary. Approved by unanimous vote. (4-0)

8. **Appointment of Committee Chairs and Members**

Budget and Finance Committee – Appoint Ann Prichard as Chair

Landscape Committee – Appoint Don McGregor as Chair

Governance Committee – Appoint Paul Wright as Chair

Capital Projects Committee – Deferred

Social Engagement Committee – Deferred

Motion made by Moreau, seconded by Chung, to appoint Chairs for the next year. Approved by unanimous vote. (4-0)

9. **Approval of Minutes**

Regular Meeting Minutes – October 11, 2022

Motion made by Autrey, seconded by Moreau, to appoint Chairs for the next year. Approved by unanimous vote. (4-0)

10. **Adjournment of the Board of Directors Organizational Meeting**

There being no further business, the Board of Directors Organizational Meeting was adjourned at 10:20 a.m. The Board will go into the Annual Membership Meeting at 11:00 a.m.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the minutes.

Victoria Thomas

ANNUAL MEMBERSHIP MEETING**Tuesday, October 10, 2023 at 11:00 a.m.****Meeting was Conducted Virtually**

MINUTES**1. Call to Order**

President England called the meeting to order at 11:01 a.m.

2. Roll Call of Directors

Mary A. England – President – District 5
Pat Donahue – 1st Vice President – District 4 – *Absent*
Young Chung – 2nd Vice President – District 3
Jen Moreau – Secretary – District 2
Jean Autrey – Treasurer – District 1

MOD Staff

Jeroen Wright – Director of Mutual Operations
Dave Peakes – Building Maintenance Manager
Bud Baxter – Budget Manager
Victoria Thomas – Board Services Coordinator

3. Certification of Notice of Meeting

I, Victoria Thomas Assistant Secretary to First Walnut Creek Mutual Board, certify that a Call for Candidates notice was mailed to residents on March 28th and published in the Rossmoor newspaper on April 5th and April 12th. Bellweather Election Solutions mailed a second Call for Candidates notice to residents on June 27th. No candidates from District 3 came forward.

According to the Mutual's Bylaws Article 8.1.a, if no nominations are received the Mutual can accept nominations from all Districts within the Mutual. A Call for Candidates notice was mailed to residents on July 31st and published in the Rossmoor newspaper on August 9th, 16th, and the 23rd. The Board received four nominations and interviewed the candidates. Appointment to the position was conducted at the Board of Directors' Organizational Meeting.

In accordance with Corporations Code § 7511(b), a notice of the Annual Membership Meeting was mailed to the membership on September 28, 2023.

4. Presentation of 2024 Draft Budget

Wright presented the draft budget.


ROSSMOOR
 Walnut Creek

**First Walnut Creek Mutual
 2023 Annual Disclosures**
2024 Budget

In compliance with California Civil Code §5300, the following is a summary of the First Walnut Creek Mutual budget for next year. The complete pro forma operating budget follows. Copies are available for your review at the Board office located at 1001 Golden Rain Road. To obtain a copy please submit your request in writing to the Board of Directors.

The Operations Budget covers the expenses for normal day-to-day operation of the Mutual and includes items such as: management and administration; routine landscape and building maintenance; insurance; and utilities (outdoor electricity, water, trash collection and recycling). The Reserves Budget is for the rehabilitation, replacement, or repair of major components that the Mutual is obligated to maintain during the life of the Mutual - "rehabilitation" generally refers to long-term maintenance and repairs. Rehab programs for individual buildings are generally on a 10-year cycle. Any new landscape installation or replacement of an old landscape is considered rehab. Major tree work is also considered a part of landscape rehabilitation.

In addition to Mutual Operations and Reserves budgets, the Mutual is obligated to collect from its membership amounts due to the Golden Rain Foundation (GRF) for maintenance of the Trust Assets and to support overall community services and recreational activities provided by GRF.

**Monthly Assessment Summary
 Comparison of 2023 Budget to 2024 Budget**

	<u>2023</u>	<u>2024</u>	<u>Change</u>
<u>Mutual Assessment</u>			
Maintenance & Operations	\$458.25	\$560.82	\$102.57
Repair and Replacement Reserves	264.01	275.00	10.99
Working Capital	42.81	90.73	47.92
Total Mutual Assessment	<u>\$765.07</u>	<u>\$926.55</u>	<u>\$161.48</u>
<u>Golden Rain Foundation Assessment</u>			
Trust Operations	270.38	277.44	7.06
Cable TV Service	59.54	57.25	(2.29)
Total GRF Assessment	<u>\$329.92</u>	<u>\$334.69</u>	<u>\$4.77</u>
<u>Total Basic Assessment</u>	<u>\$1,095</u>	<u>\$1,261</u>	<u>\$166</u>

In addition to the Total Basic Assessment, members are assessed Property Taxes based on the Contra Costa County valuations of their respective units and parcel taxes.

California Civil Code §5550 requires that a Reserve Study be conducted every three years to identify major components, their expected and remaining lives, and to estimate the cost to repair and replace these items. Included in the attached disclosures is the Assessment and Reserve Funding Disclosure Summary and other pertinent information from the Mutual's latest Reserve Study. A copy of the complete thirty (30) year study is available for your review at Member Records in the Gateway complex. If you would like to obtain a personal copy of the study, please submit your request in writing to Member Records Department, P.O. Box 2070, Walnut Creek, CA 94595 or MRD@rossmoor.com.



**First Walnut Creek Mutual
2024 Budget
Revenues and Expenses**

	Operations Budget	Reserves Budget	Total Budget
Revenues			
GRF Assessment	\$7,542,574	\$0	\$7,542,574
Mutual Assessments	14,683,331	6,197,400	20,880,731
Rental Income	25,000	0	25,000
Interest Income	200,000	0	200,000
Other Income	14,780	0	14,780
Total Revenues	22,465,685	6,197,400	28,663,085
Less Transfer to GRF	(7,542,574)	0	(7,542,574)
Less Allocation for Working Capital	(2,044,691)	0	(2,044,691)
Total Mutual Revenues-Net	12,878,420	6,197,400	19,075,820
Expenses			
MOD Management Fee	1,538,182	0	1,538,182
Building Maint. & Public Works			
Building Stabilization	0	0	0
Carpentry, Roofing and Painting	495,250	1,990,000	2,485,250
Mechanical & Electrical	800,000	2,034,000	2,834,000
Fire Safety	53,900	30,000	83,900
Public Works	0	645,000	645,000
Other	0	0	0
Total Bldg.Maint. & Public Works	1,349,150	4,699,000	6,048,150
Landscape Maintenance	1,410,688	572,000	1,982,688
Elevator Maintenance	0	0	0
Custodial Services	76,000	0	76,000
Insurance	6,130,081	0	6,130,081
Utilities			
Trash & Recycling	320,004	0	320,004
P.G.& E.	153,446	0	153,446
Water	1,586,939	0	1,586,939
Telephone	5,238	0	5,238
Recycling Center	106,217	0	106,217
Total Utilities	2,171,844	0	2,171,844
Professional Services	164,500	18,750	183,250
Other Gen. and Admin. Expenses	38,000	0	38,000
Income Taxes	0	0	0
Total Expenses	12,878,445	5,289,750	18,168,195
Excess/(Deficiency) of Rev. over Exp.	(\$25)	\$907,650	\$907,625
Estimated Change in Fund Balances			
Estimated Beginning Balance	\$5,164,860	\$9,009,439	\$14,174,299
Excess/(Deficiency) of Rev. over Exp.	(25)	907,650	907,625
Allocation for Working Capital	2,044,691	0	2,044,691
Estimated Ending Balance	\$7,209,526	\$9,917,089	\$17,126,615

Notes: There are no outstanding loans with an original term of more than one year.
Except for circumstances that may be described in the Reserve Study, the Board has not determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less.

FIRST WALNUT CREEK MUTUAL

**First Walnut Creek Mutual
 Comparison of 2023 Budget to 2024 Budget
 Per Manor per Month**

	2023 \$/M/M	2024 \$/M/M	Increase/ (Decrease)	% Change
<u>Mutual Operations & Maintenance</u>				
Other Revenue				
Rental Income	\$1.11	\$1.11	\$0.00	0.0%
Interest Income	0.00	8.87	8.87	N/A
Other Income	0.66	0.66	0.00	0.0%
Total Other Revenue	<u>1.77</u>	<u>10.64</u>	<u>8.87</u>	<u>501.1%</u>
Expenses				
MOD Management Fee	65.00	68.25	3.25	5.0%
Building Maint. & Public Works				
Carpentry, Roofing and Painting	19.82	21.98	2.16	10.9%
Mechanical & Electrical	35.50	35.50	0.00	0.0%
Fire Safety	2.04	2.39	0.35	17.2%
Public Works	0.00	0.00	0.00	N/A
Other	0.00	0.00	0.00	N/A
Total Bldg. Maint. & Public Works	<u>57.36</u>	<u>59.87</u>	<u>2.51</u>	<u>4.4%</u>
Landscape Maintenance	61.24	62.60	1.36	2.2%
Custodial Services	2.84	3.37	0.53	18.7%
Pool or Pond Maintenance	0.00	0.00	0.00	N/A
Insurance	178.41	272.01	93.60	52.5%
Utilities				
Trash & Recycling	13.40	14.20	0.80	6.0%
P.G.& E.	6.00	6.81	0.81	13.5%
Water	64.88	70.42	5.54	8.5%
Telephone	0.23	0.23	0.00	0.0%
Recycling Center	4.00	4.71	0.71	17.8%
Total Utilities	<u>88.52</u>	<u>96.37</u>	<u>7.86</u>	<u>8.9%</u>
Professional Services	5.97	7.30	1.33	22.3%
Other Gen. and Admin. Expenses	0.68	1.69	1.01	148.5%
Income Taxes	0.00	0.00	0.00	N/A
Total Operating Expenses	<u>460.03</u>	<u>571.46</u>	<u>111.45</u>	<u>24.2%</u>
Net Mutual Operating Costs	458.25	560.82	102.57	22.4%
Increase/(Decrease) Working Capital	<u>42.81</u>	<u>90.73</u>	<u>47.92</u>	<u>111.9%</u>
Mutual Maint. & Operations Assessment	501.07	651.55	150.48	30.0%
Mutual Reserves Assessment	264.01	275.00	10.99	4.2%
<u>Total Mutual Assessment</u>	<u>\$765.08</u>	<u>\$926.55</u>	<u>\$161.47</u>	<u>21.1%</u>
<u>Golden Rain Foundation</u>				
Trust Operations	270.38	277.44	7.06	2.6%
Cable TV Service	59.54	57.25	(2.29)	-3.8%
<u>Total GRF Assessment</u>	<u>\$329.92</u>	<u>\$334.69</u>	<u>\$4.77</u>	<u>1.4%</u>
<u>Total Basic Assessment</u>	<u>\$1,095</u>	<u>\$1,261</u>	<u>\$166</u>	<u>15.2%</u>

Notes: Per Manor per month calculations, including the totals, are based on total budget dollars and rounded. Consequently, the summation of the rounded detail may not add to the rounded totals.



FIRST WALNUT CREEK MUTUAL

First Walnut Creek Mutual
2024 Budget
Comparison to 2022 Actuals, 2023 Budget, and 2023 Forecast

	Operating Fund				Business Fund				2024 Budget
	2022 Actual	2023 Budget	Jun-23 Actual	2023 Forecast	2022 Actual	2023 Budget	Jun-23 Actual	2023 Forecast	
71005 Management Fee	1,257,254	1,444,933	732,448	1,444,933	0	0	0	0	0
72000 Building Maintenance and Public Works	2,004	0	0	0	15,441	0	0	0	0
72000 Building Stabilization									
72005 Carberry, Roofing and Painting	89,102	109,000	53,304	109,000	825,000	750,000	389,347	775,000	825,000
72045 Carpentry - General Building Repairs	14,646	3,000	3,294	5,000	0	0	0	0	0
72010 Steel Work	0	0	0	0	0	0	0	0	0
72015 Deck Coatings	0	0	0	0	180,003	175,000	91,319	175,000	160,000
72020 Power Wash	145	250	45	250	0	0	0	0	0
72025 Doors, Windows, & Hardware	72,694	80,000	42,372	85,000	0	0	0	0	0
72030 Painting	6,009	4,000	3,081	6,000	90,000	400,000	214,865	415,000	400,000
72035 Roofing	0	300	1,115	2,000	205,183	300,000	20,028	465,000	400,000
72040 Sheet Metal/Gutter Repair	5,687	4,700	4,058	7,000	390	0	4,350	4,350	0
72045 Gutter Cleaning	52,547	71,000	74,148	80,000	0	0	0	0	0
72050 Laundry Room Repairs	50,296	41,500	8,814	41,500	2,163	0	921	1,843	0
72055 Minor Inspection	67,564	73,000	35,329	72,000	365	0	0	0	0
72060 Bath Locks	52,313	40,000	82,647	85,000	0	0	0	0	0
72065 Resale Work	13,478	10,000	11,977	10,000	0	0	0	0	0
72095 Minor Damages Repairs	0	0	0	0	0	0	0	0	0
72070 Safety Inspections	0	0	0	0	0	0	2,982	5,978	0
Total Carpentry, Roofing & Painting	435,372	446,750	330,738	507,730	1,891,503	1,625,000	727,740	1,842,171	1,890,000
Mechanical & Electrical									
72075 Electrical	172,221	150,000	68,195	135,000	84,292	180,000	117,246	254,493	200,000
72105 Humacee Real	0	0	0	0	88,935	120,000	51,480	102,940	120,000
72080 Lighting	114,689	100,000	40,900	93,000	62,433	40,000	35,992	71,944	70,000
72085 HVAC	1,047	0	0	0	197,554	130,000	64,315	130,629	200,000
72090 Appliance Repair	337	0	0	0	107,882	75,000	47,874	95,748	75,000
72100 Residential Remodeling	0	0	0	0	0	0	2,820	5,639	0
72110 AC Real	0	0	0	0	122,958	250,000	16,816	33,712	250,000
72115 AC Conversion	0	0	0	0	0	0	0	0	0
72120 Refrigerator Real	0	0	0	0	99,732	55,000	16,127	30,255	55,000
72125 Oven Real	0	0	0	0	910	2,000	0	0	0
72130 Exhaust Fan Real	871	0	0	0	9,130	12,000	9,557	19,114	12,000
72135 Furnace & Oven Real	0	0	0	0	10,806	12,000	4,028	8,014	10,000
72140 Trailer Heater Real	804	0	0	0	12,608	25,000	22,546	25,000	25,000
72145 Garbage Disposal Real	957	0	201	0	309,234	370,000	160,549	321,098	330,000
72150 Washing Machine Real	0	0	0	0	74,092	75,000	22,449	44,898	75,000
72155 Diver Real	0	0	0	0	0	0	0	0	0
72160 Dishwasher Real	0	0	0	0	0	0	0	0	0
72165 Other Appliance Replacement	330	0	0	0	10,218	35,000	1,453	2,907	35,000
72170 M&E, Other - Plumbing	873,633	500,000	170,783	350,000	55,973	8,000	23,992	47,082	40,000
Total Mechanical & Electrical	817,000	800,000	380,138	630,000	1,267,109	1,397,000	377,344	1,188,398	1,254,000
Fire Safety									
72185 Smoke Detection	12,782	12,000	4,507	10,000	0	0	2,380	3,000	0
72190 Exhaust Fans	31,426	30,000	22,171	45,000	59	0	0	0	0
72195 Alarm	1,590	1,600	670	1,350	0	0	0	0	0
72200 Sprinklers	230	400	50	100	0	0	0	0	0
72205 Fire, Other (CO sensors, etc.)	7,670	0	498	0	13,288	30,000	5,871	11,143	30,000
Total Fire Safety	33,698	46,000	28,235	56,450	13,347	30,000	7,952	14,143	30,000



FIRST WALNUT CREEK MUTUAL

First Walnut Creek Mutual
2024 Budget

Comparison to 2022 Actual, 2023 Budget, and 2023 Forecast

	Operating Fund				Revenue Fund			
	2022 Actual	2023 Budget	June 23 Actual	2023 Forecast	2023 Forecast Over/Budget	2023 Actual	2023 Budget	2024 Budget
Public Works								
72010 Concrete	998	0	0	0	(10,972)	37,014	104,028	115,000
72015 Asphalt Repair / Sealscoat	99	0	0	0	(99,208)	376	792	250,000
72020 Bedrock	0	0	0	0	(40,000)	70,023	110,000	220,000
72025 Water Supply/PW Repair Fund	0	0	0	0	(68,531)	10,234	21,449	50,000
Total Public Works	997	0	0	0	(138,731)	118,358	236,269	435,000
Other								
72175 Cash Run	0	0	0	0	0	0	0	0
72180 After-Hour Contract	478	0	0	0	0	0	0	0
72230 BM, Consumables	0	0	0	0	0	0	0	0
72245 Unsubscribed Contractors	0	0	0	0	0	0	0	0
Total Other	478	0	0	0	0	0	0	0
Total Bids, Mater. & Public Works	1,475	0	0	0	(138,731)	118,358	236,269	435,000
Landscape Maintenance								
73000 MCO-Contracted Services	0	0	0	0	0	0	0	0
73015 Entry/Grounds Maintenance	1,052,452	1,032,184	526,515	1,073,232	21,048	(25)	150	0
73020 Tree Maintenance/Removal	95,388	38,327	76,442	(68,538)	(68,538)	102,745	265,530	300,000
73025 Irrigation	12,700	0	1,129	0	0	30,184	40,348	72,000
73030 IS, Miscellaneous	0	0	0	0	0	0	0	0
73035 IS, Rehabilitation	106,270	130,000	101,229	130,000	0	31,494	63,387	200,000
73040 IS, Water/Irr	0	0	0	0	0	0	0	0
73050 IS, Pest Control	52,778	63,000	34,405	67,373	6,373	0	0	0
73055 IS, Other (Pest Abatement)	0	0	0	0	0	0	0	0
Total Landscape Maintenance	1,319,608	1,300,184	711,880	1,300,607	11,137	164,618	329,235	572,000
Beverly Maintenance & Renovation								
73205 Maintenance Contract/Annual Permit	0	0	840	0	0	0	0	0
73240 Renov. Calls	0	0	0	0	0	0	0	0
Total Beverly Maintenance	0	0	840	0	0	0	0	0
Cultural Services								
73230 Cultural Services/Materials	65,667	64,000	34,800	67,559	5,559	0	0	0
Total Cultural Services	65,667	64,000	34,800	67,559	4,559	0	0	0
Pest or Feral Assistance								
73245 Feral/Pest Maintenance	0	0	0	0	0	0	0	0
Total Pest or Feral Assistance	0	0	0	0	0	0	0	0
Insurance								
75015 Property Damage	2,431,206	4,100,275	2,008,079	4,016,158	(64,617)	0	0	0
75020 General Liability	37,800	43,528	21,862	43,745	257	0	0	0
75025 Umbrella Liability	36,945	40,898	10,634	37,208	(3,690)	0	0	0
75030 Directors & Officers	20,363	21,788	10,762	21,525	(263)	0	0	0
75040 Short-Term Claims	20,682	22,523	11,433	22,865	302	0	0	0
75045 Mutual Shared Deductible	0	72,000	0	0	(72,000)	0	0	0
75050 Insurance Recoveries	0	(250,632)	0	0	250,632	0	0	0
75060 Uninsured Loss Expense	0	239	239	478	478	0	0	0
75065 Insurance Fire Damage	0	10,000	0	0	(10,000)	0	0	0
75070 Insurance Fire Damage 2	0	0	0	0	0	0	0	0
Total Insurance	3,247,645	4,600,480	2,107,048	4,167,196	(121,428)	0	0	0



FIRST WALNUT CREEK MUTUAL

First Walnut Creek Mutual
2024 Budget
Comparison to 2022 Actual, 2023 Budget, and 2023 Forecast

	Operating Fund				Business Fund				2024 Budget	2023 Forecast Over/Under Budget	2023 Actual	2023 Forecast	2023 Over/Under Budget	2024 Budget
	2022 Actual	2023 Budget	2023 Actual	2023 Forecast	2022 Actual	2023 Budget	2023 Actual	2023 Forecast						
Utilities														
74000 Trash and Bicycle	0	302,004	149,150	294,300	15,720				6%	0	0	0	0	0
74020 Solid Waste Disposal - Recycling Center	287,022	90,171	51,561	103,125	12,952				3%	0	0	0	0	0
74010 Water	(101,240)	1,443,156	573,809	1,462,417	459				8%	0	0	0	0	0
74015 Telephone	0	5,226	0	5,226	10				0%	0	0	0	0	0
74005 P.U.&E.	0	185,274	68,119	188,328	2,943				11%	0	0	0	0	0
74025 Water Reimbursement	0	0	0	0	0					0	0	0	0	0
Total Utilities	105,682	1,994,661	842,638	2,055,517	10,447					0	0	0	0	0
Professional Services														
74020 Local Council	66,393	60,000	45,805	91,410	31,419					0	0	0	0	0
74025 Audit & Tax Preparation	5,626	19,305	0	19,302	0					0	0	0	0	0
74024 Reserve Study	0	0	0	0	0					6,730	6,730	6,730	6,730	16,250
72010 Software Licenses	0	0	0	0	0					3,373	3,373	3,373	3,373	0
74000 Other Professional Services	15,573	54,000	0	0	55,000					2,889	2,889	2,889	2,889	0
77005 Total Professional Services	87,672	134,305	45,805	111,112	23,399					6,730	6,730	6,730	6,730	16,250
Other General and Administrative Expenses														
74015 Public Relations & Entertainment	105	0	0	0	0					0	0	0	0	0
74035 Postage & Delivery	4,735	4,700	7,451	14,100	10,403					0	0	0	0	0
74040 Printing & Reproduction	14,776	10,593	10,384	20,772	10,179					0	0	0	0	0
74043 Office Expense	74	0	184	372	372					0	0	0	0	0
74030 Office Equipment	0	0	0	0	0					0	0	0	0	0
74075 Bank Charges	0	0	0	0	0					0	0	0	0	0
74100 Bad Debt Expense	0	0	2,793	5,466	5,466					0	0	0	0	0
77004 Amortization Expense	0	0	0	0	0					0	0	0	0	0
77240 Miscellaneous Expense/ Settlement Expense	0	0	0	0	0					0	0	0	0	0
Total Other General & Administrative	21,381	14,293	20,654	41,718	26,450					0	0	0	0	0
Income Taxes														
80000 Federal Income Tax	101,566	0	0	0	0					0	0	0	0	0
80005 State Income Tax	0	0	0	0	0					0	0	0	0	0
Total Income Taxes	101,566	0	0	0	0					0	0	0	0	0
Total Mutual Expenses	4,824,546	6,014,216	5,989,629	70,455,937	64,858					3,336,810	4,014,000	1,624,895	3,272,944	5,207,743

FIRST WALNUT CREEK MUTUAL

5. Annual Reports

a. Treasurer's Report – Jean Autrey

From a financial standpoint, 2023 is projected to be a good year. The forecast is that the Mutual will end up about \$66,000 under budget which is pretty impressive on a budget of 10.3 million dollars.

As Treasurer, I've focused on 2 areas - manor inspections and collecting past due amounts owed to the Mutual I'm happy to report that:

1. We have greatly reduced the number of residents who haven't had their inspections done. The list has gone from 2 pages to one-half page and we continue to aim for 100% compliance. Manor inspections are done annually and are a safety issue for both the resident and their neighbors.
2. We have collected \$172,000 of past due amounts. This represents \$7.60 per manor per month of working capital that we didn't need to raise to cover these unpaid amounts. The process is ongoing and I expect to reduce the outstanding balances even further.

b. 1st Vice President's Report – Pat Donahue

No report.

c. Secretary's Report – Jen Moreau

Moreau reported that she has been the Board's Secretary since July 2023. She has posted articles in Rossmoor News after Board of Directors (BOD) meetings. Agendas and Meeting Minutes are posted by the Thomas, Board Services Coordinator, on the website at:

- a. Link: www.rossmoor.com - Hover over For Residents tab, for drop down menu, then click Mutuals. Click First Mutual to access contacts, agendas, minutes, policy, etc.
- b. Answers to many resident questions are found in First Mutual's Policy, posted on the website and found under First Mutual, Governing Documents tab.

d. Budget and Finance Committee Report – Ann Prichard

The First Walnut Creek Mutual's Budget & Finance Committee's formation is codified in Article 13 of the First Mutual By-Laws (Pg. 29), a copy of which can be found on rossmoor.com Mutual link.

The Committee's mission is:

To monitor fiscal operations and make recommendations to the FWCM Board concerning the annual budget by:

- Review expenditure trends and exceptions for operation within the constraint of the annual coupon
- Spot long-range trends that will influence future budgets
- Receive from the Board of Directors any new and/or changing major plans and programs
- Work to answer or resolve Board of Directors; questions or problems concerning spending priorities
- Providing the Board of Directors with recommendations on spending priorities.

FIRST WALNUT CREEK MUTUAL

- Pursue avenues that can help finance current and future Mutual operations as technical, physical, and legislative changes impact the Mutual and its Members as a whole.

To date this year, the Committee, at the request of the Board did:

- Completed a study and recommendation to the Board to change the format and provider of the Mutual's required Reserve Study
- Developed and completed description and documentation of the Mutual's management / operations profile, including its contractual relations with its multiple property management contractors.
- Discussed multiple budgetary challenges the Mutual faces re member use of the Mutual's common area electric outlets
- Worked with the Mutual Board to develop a realistic proposed 2024 Mutual Budget, given the challenges posed by current Mutual-wide operation costs, economic climate and insurance premium markets.

The Budget & Finance Committees welcomes new members and currently meets virtually on the 3rd Tuesday of each month at 3:00 p.m. Anyone interested in joining the Committee, please contact Ann Prichard at aprichard42@gmail.com.

e. Landscape Committee Report – Don MacGregor

The M1 Landscape Committee is an advisory committee to the M1 Board. Each of the five M1 Directors approves a District Representative to serve on the Landscape Committee, with a Board Liaison and Chairperson approved by the Board President. A representative of the landscape contractor, Brightview, as well as the MOD Landscape Manager also attend meetings.

The purpose of the committee is to monitor health, safety and appearance of our landscaped M1 Common Areas exclusive of GRF property. District Reps respond to their district member calls and requests, prioritizing maintenance needs and recommending projects through their own observation, evaluation and report at our monthly meetings.

The committee recommends priorities for landscape projects and budget. In 2023 the landscape committee prioritized People and Property Safety and recommended increased budget for hazardous tree removals. Another Priority is Irrigation Water Conservation. 2023 projects have covered or reduced lawns in many Entries. District Reps also manage expectations by communicating the scope of work for Mutual 1. Example plant palette and seasonal pruning schedules, tree removal and turf reduction.

As the Chair of the Committee, it is my goal to create a dynamic partnership between the MOD Landscape Director, Brightview and the Landscape Committee through collaboration and cooperation, by increasing the frequency and quality of our communication between MOD Landscape/Brightview and Landscape Committee members.

Don't know who your Landscape Rep is? Ask your District Rep. The Landscape Committee Mission Statement and 'Governing Documents per Davis-Sterling requirements' are available upon request. dmacgregor3@gmail.com.



LANDSCAPE CONTACTS QUICK REFERENCE SHEET

ISSUE	CONTACT	TIMING	COST
<p>IRRIGATION Geysers, leaks, dry or wet spots in landscape</p>	<p>Work order desk 925-988-7650 or workorder@rossmoor.com</p>	<p>Within one to two business days</p>	<p>\$0</p>
<p>MAINTENANCE Pruning, mowing, weeds, leaf cleanup</p>	<p>Work order desk 925-988-7650 or workorder@rossmoor.com</p>	<p>At next maintenance visit (up to 4 weeks for non-urgent requests)</p>	<p>\$0</p>
<p>LAWN CARE Overseeding, weeds, mowing</p>	<p>Work order desk 925-988-7650 or workorder@rossmoor.com</p>	<p>Spring and Fall</p>	<p>\$0</p>
<p>TREE CARE Arborist inspection, pruning (excluding view pruning), removal</p>	<p>Work order desk 925-988-7650 or workorder@rossmoor.com</p>	<p>Varies Requested work is not guaranteed!</p>	<p>Varies <u>DIRECTOR APPROVAL NEEDED</u></p>
<p>LANDSCAPE CHANGES OR ADDITIONS Rehab requests, installation of materials like mulch, plants, cobble</p>	<p>Landscape Representative</p>	<p>Varies Requested work is not guaranteed!</p>	<p>Varies <u>DIRECTOR APPROVAL NEEDED</u></p>
<p>PLANT REPLACEMENT (one or two plants that have died, NOT rehab requests)</p>	<p>Landscape Reps can gather request, but residents can also submit requests to plantreplacement@rossmoor.com</p>	<p>Fall to Winter Plants are replaced in the cool season (IF qualified)</p>	<p>Needs approval</p>
<p>PRUNING FOR VIEW OR PREFERENCE</p>	<p>Form on landscape website www.rossmoor.com/landscaping</p>	<p>Any time</p>	<p>Resident billable</p>
<p>GENERAL LANDSCAPE INFORMATION Plant information, trails maps, services, pesticide information</p>	<p>Landscape Website- www.rossmoor.com/landscaping</p>	<p>Any time</p>	<p>N/A</p>
<p>POLICY INFORMATION</p>	<p>Rossmoor website under 'Mutuals' tab www.rossmoor.com/residents/mutuals/</p>	<p>Any time</p>	<p>N/A</p>

FIRST WALNUT CREEK MUTUAL

f. Governance Committee Report – Paul Wright

The Mutual 1 Governance Committee was chartered by the M1 board of directors in December, 2022, and has met monthly since then.

The Committee is responsible for identifying and establishing resources to help improve our mutual's board's "function and performance." A basic principle guiding the Governance Committee is that having a healthy and well-functioning board of directors contributes to having a healthy and well-functioning Mutual.

Accordingly, the Governance Committee reviews and recommend revisions to Mutual governing documents such as:

- a. Policies
- b. Restated Bylaws
- c. Occupancy Agreement
- d. CC&R's
- e. GRF Management Agreement (as needed)
- f. GRF Trust Agreement (as needed)
- g. Develop Architectural Control Standards if needed

The Committee is also charged with conducting board candidate and new Director Orientation and Education, as well as with monitoring HOA Governance resources, such as Community Associations Institute (CAI) resources found on the CAI website, HOA-related webinars, bringing to the Board's attention potential items of relevance to the Mutual.

So far, the Committee has been tasked with analyzing the Mutual's agreement for services rendered by the GRF/MOD; in March 2023, we submitted to the board our recommendations for revisions to enhance MOD performance. We are also: developing a more user-friendly list of Rossmoor phone numbers for M1 members; rethinking the orientation to Rossmoor for new and existing members; and reviewing the Mutual's alterations policy, both to enhance the alterations process and better serve the interests of the Mutual and its members.

The Governance Committee usually meets on the 4th Tuesday of each month, except when needed to fit Committee members' calendars. Guests are welcome to observe our meetings, as a way to familiarize themselves with what we do on behalf of M1.

Anyone interested in serving the Governance Committee should contact Paul Wright at pwright001@aol.com.

g. Capital Projects Committee Report – Young Chung

The Mutual 1 Capital Projects Committee was chartered by the M1 board of directors in December 2022 as a standing advisory committee and has met monthly since then.

The purpose of the Mutual Capital Projects Committee is to assess the capital projects needs of the Mutual, recommend prioritization of projects to the Mutual Board, develop options for Board consideration and recommend Mutual planning process for capital

FIRST WALNUT CREEK MUTUAL

projects. The committee will recommend capital projects which impact both the Mutual Operations and Reserve budgets.

Accordingly, the Capital Projects Committee conducts activities to support the Mutual Board's planning and implementation of projects. The activities include:

1. Assess need for capital projects.
2. Prioritize capital projects over the next 10 years.
3. Develop options for project scope and project alternatives.
4. Propose recommended capital projects.
5. Report status of Committee and Sub-Committee work to Mutual Board
6. Provide capital project recommendations to key stakeholders.
7. Coordinate above responsibilities with Mutual Operations Division

We are the oldest of the Rossmoor Mutuals -- the buildings and infrastructure are showing their age. There are issues in many areas that the Mutual spends a lot of money to maintain, including the water supply lines, in-wall plumbing, sewage lines. There are other areas that impact on the safety and welfare of our residents. The Committee's task is to evaluate our infrastructure and make recommendations on how best to address problems and prepare for the future needs of the Mutual.

So far, the Committee has been tasked with analyzing Mutual's electrical infrastructure needs and requirements for the future, including improvements required to meet fossil fuel reductions, aging electrical systems, and increasing EV charging needs. The Committee has developed plans to work with professional electrical consultants as well as MCE to help us reach our goals.

Based upon extensive problems that occurred over the past winter, the Committee has been focused on evaluating the storm drain and flooding control systems within Mutual. In coordination with MOD and the Landscape Department, the Committee is preparing recommendations for improvements in system maintenance and preparation procedures and upgrades to the storm drainage system.

The Capital Projects Committee usually meets on the 2nd Tuesday of each month, except when needed to fit Committee members' calendars. Guests are welcome to observe our meetings, to familiarize themselves with what we do on behalf of M1, and to provide input and concerns to the committee.

Anyone interested in serving on the Committee should contact Young Chung at yychung07039@gmail.com.

h. Social Engagement Committee Report – Jean Autrey

The purpose of the temporary Social Engagement Committee is to develop a long-term plan for the Board to use to encourage members to actively and constructively participate in the day-to-day issues of their entry, neighborhood and Mutual-wide matters.

To that end, we are researching some options to see if they are worth including as recommendations in our final report.

FIRST WALNUT CREEK MUTUAL

Option 1: Create Neighborhood Information Centers

To obtain more viewpoints on this proposal, an article was placed in the Rossmoor news to elicit a response from members to the idea of creating Neighborhood Information Centers. The article ran in the 9/20/23 issue.

Option 2: Support More Neighborhood Informational Meetings:

The Committee is in the process of supporting a local “Meet Your Director” meeting for District One in late October. The purpose is to see if District Town Hall’s would be effective.

The Committee is discussing additional proposals and may choose to investigate them in detail in the coming weeks.

Note: The Committee now has 3 members and a board liaison. There is no Chairperson.

6. President’s Report

a. 2023 Challenges and Accomplishments

Challenges

1. End of year Storm Holiday off hours -members volunteered to dig out drains, channels, build barriers with sandbags
2. Standardizing Board documentation – proposals, charters
3. Keeping up with operations challenges, MOD, GRF staff changes
4. Managing financials with late reporting
5. Board orientation for 3 new Directors
6. Communication remains a BIG Challenge – website solution?

Accomplishments

1. Chartered and recruited members for three new committees
2. Recruited chairs and fill two pre-existing standing committees
3. Drafted new Chartered for Architectural Control Committee ACC
4. Transitioned ten-year Planning committee workgroups
5. Including Workgroups into Capital Project Committee
6. Capital Projects Committee developed Project Priority criteria and ranked projects and proposed project ranking
7. Capital Projects Committee developed electrical infrastructure RFP
8. Governance Committee analyzed G R F Management Agreement presented to Board
9. Budget & Finance Committee analyzed Facilities Associate, Inc. (FAI) offering for Mutual Reserve Study and recommended transitioning to FAI
10. Budget & Finance Committee completed the Mutual’s Management documentation and digitized it
11. Standardized Board proposal format
12. Launched inspection phase of Clean Carport Inspection
13. Participated in GRF/Presidents’ Forum Insurance Task Force
14. Participated in Presidents’ Forum workgroup on GRF metrics
15. Prepared input for GRF Jenark Replacement Project requirements for operations and Financial improvement

FIRST WALNUT CREEK MUTUAL

16. Joint Board & Budget & Finance meeting to prepare scenarios for budget planning and budget review with MOD
17. BOD has yet to set objectives for next year

7. Manager's Report

Wright reported Staff has been having budgets with Mutuals daily, preparing approximately 44 budgets on an annual basis. It is anticipated to be completed by October 31, 2023.

Firewise Program – The Committee has been formed with the first meeting on October 24, 2023. The goal for the meeting is to start working on the three-year action plan. Once developed, it will be submitted to the National Fire Protection Association to get recognition for 2024. Mulch will be replaced with non-flammable mulch and possible plant removal to decrease the continuity of shrubs.

Insurance is the hot topic at this time with an anticipated high premium increase. Gallaher Insurance, along with many underwriters, recently visited Rossmoor to get a better understanding of the site.

8. Members' Forum

Members were afforded the opportunity to express their concerns, make comments, or have questions for the Board. Comments included: electrical subpanels in Entry 2 are being replaced, firewalls will be installed in the attics and on the patio of the rear veranda of the G11 buildings, which is a seasonal job done in the cooler weather, total coupon increase was approximately 19%, but the budget needs to be reviewed again, it was asked if the Board demands a level of excellence from Staff; GRF has not been able to provide a stable accounting department, having high turnover, suggested hiring a third party accounting firm with expertise in the area, and the CFO does not attend meetings, remodel reviews and standardizing remodels is needed, policies are continually not followed with construction work on manors, it was asked if the coupon could be less for a single person resident than a multifamily resident, Governance Committee meeting will be October 16, 2023 at 2:00pm in Multipurpose Room 3.

9. Announcement

The next scheduled meeting will be the Board of Directors Regular Meeting held on Friday, October 27, 2023 at 10:00 a.m. at the Event Center in the Donner Room.

10. Adjournment

There being no further business, the Annual Membership Meeting was adjourned at 12:34 p.m. The Board moved into Executive Session.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the minutes.

Victoria Thomas