

FIRST WALNUT CREEK MUTUAL
FIFTY-THIRD ANNUAL MEETING OF MEMBERS
TUESDAY, OCTOBER 13, 2020 AT 10:00 A.M.
ZOOM

President, Gerald Priebatl, called to order the Fifty-Third Annual Meeting of Members at 10:00 a.m. on Tuesday, October 13, 2020 via ZOOM.

PRESENT: Gerald Priebatl, President, District 2
Tom Hansen, 1st Vice President, District 1
John Moe, 2nd Vice President, District 3
Patricia Donahue, Treasurer, District 4
Peggy Kaiser, Secretary, District 5

ABSENT: None

Mutual Operations was represented by Paul Donner, Director of Mutual Operations; Rick Chakoff, Chief Financial Officer; Doug Hughs, Building Maintenance Manager; Rebecca Pollon, Landscape Manager; Jo Ann Cooper Financial Analyst; and Anne Paone, Administrative Secretary.

Mr. Priebatl welcomed the forty-four residents who were present.

CERTIFICATION OF NOTICE – Anne Paone, Administrative Secretary

Administrative Secretary, Anne Paone, read the Certification of Notice for the Annual Meeting of October 13, 2020 certifying that, pursuant to Article 6, Section 6.6.1 of the Bylaws of First Walnut Creek Mutual, notices of the location, date and time of the Annual Meeting were published in the *Rossmoor News* on September 23rd, 30th, and October 7th and the meeting was included on the calendar posted on the First Walnut Creek Mutual website.

APPROVAL OF MINUTES

Mr. Priebatl asked for any additions or corrections to the minutes of the Annual Board Meeting and the Organizational Meeting held on October 8, 2019. Hearing none, Mr. Priebatl declared them approved as written and reviewed.

Treasurer

Ms. Donahue reported that the Mutual is over budget in insurance and utilities (water). It is anticipated that insurance will be higher this year due to fires in Rossmoor and California. Building Maintenance and Landscape budgets were managed very well. Ms. Kaiser and Ms. Donahue review the monthly financials.

Landscape

Ms. Pollon reported that it has been a busy year. Mulching of ¼ of the Mutual has been done and some plant replacements. Some resident requests were done. Two dozen trees were removed for safety and fire prevention. The fire break was enhanced on Golden Rain Road. Some projects were done. Phase one of the F-Year Plan, juniper

removals for fire safety were done. There is \$60,000 in the budget which is being held to use for tree. Plants will be removed due to the end-of-their-life span and replaced.

Building Maintenance

Mr. Hughs reported as follows:

2020 has been a challenging year. When the Coronavirus emerged in March of this year, we had to halt all reserve construction work for roughly 7 weeks due to the County health order. Despite this we still managed to complete all of our roofing work which involved the replacement of 8 building roofs. Our building rehab and painting work on 30 buildings is also on schedule for completion. We started our asphalt replacement work last week and will complete this work middle of next week. Our biggest challenge through all of this is of course enforcing the various County Health ordinances among all our workers and subcontractors. It has been a challenge but we managed to adapt to the "normal".

Our summer hot weather has brought to our attention the number of Original A/C condensers still in use in our Mutual. We still have over 500 of these 1965 condensers and they have reached their useful life. So, starting next year we will be taking a proactive stance in replacing these throughout the Mutual. At this time, we do not have any sort of prioritized order in which ones will be done first. That will come as we get closer to the actual work. The money for this work would come out of our reserve budget.

Plumbing expenses continue to rise in our operation budget. The primary force behind this is the aging waste lines and water supply lines inside the walls and under the building slabs. Copper supply lines develop pinhole leaks and cast iron waste lines eventually rot out. As the buildings age the number of repairs seem to increase. This is a major driving behind our increase in operating costs.

In regard to our washers and dryers in the laundry rooms I would like to focus some attention on the 'Wash laundry' mobile app for repair service. I realize many residents may not be too savvy with mobile apps but this seems to be a very effective way to get service on our washers and dryers which seems to be a continual problem. I also would like to take this time to remind everyone that these machines are not owned by the mutual but rather Wash laundry and all service requests need to be called in directly to them at the phone number listed in each laundry room.

Resident reported that the laundry rooms are not so clean anymore. Mr. Hughs reported that staff was cleaning while the S.I.P. was in effect. They are now being cleaned by the company at twice monthly.

Resident asked about a schedule for exterior painting. Mr. Hughs reported painting is done every 10 years on a building.

Resident stated that cleaning has not been done every 2 weeks. Mr. Hughs asked that he call the work order desk to report it.

Resident was concerned about possible flooding due to kindling under trees. Ms. Pollon will check the area.

PROPOSED 2021 BUDGET

Mr. Donner gave a summary of the proposed budget for 2021. He advised the

membership that there are 3 parts to consider. The operating fund is for day-to-day maintenance and repairs. The reserve fund is for repair and replacement of major components over 30 years, such as asphalt and painting. The GRF portion is to maintain Trust facilities such as pools, golf course, clubhouses, GRF streets, cable T.V., etc.

Mr. Donner went line-by-line through the budget.

Insurance is responsible for much of the increase. This is due to fires in Rossmore and the state of California.

The increase over the 2020 budget will be \$149.00. The total monthly coupon per manor per month will be \$894.00.

Residents were encouraged to ask any questions pertaining to the budget.

Resident asked why there is no control over the management fee. Mr. Donner stated it is based on the service level and is essentially a bid. To negotiate, they can lower their services or the Mutual can get another bid. Mr. Chakoff reported that MOD is non-profit. Money gets returned to the Mutuals. Sue Adams reported that in the past, FWCM used a different management company and it was a disaster.

Resident asked how the Mutual is planning on reducing water costs. Ms. Pollon reported that there is a 5-Year Plan. The last phase is to reduce water to plants. Mr. Chakoff reported that all mitigation work was reported to the insurance company as it can help with costs. We go out to bid every year.

Resident suggested reducing water costs in the common area by not allowing the washing of cars, etc. Mr. Priebat explained there is no policy against washing a car, but there must be a shut-off valve at the end of the hose. Resident asked that given the projections of fire danger, will the insurance increase every year? Mr. Donner stated if it keeps increasing, the Mutual will need to look at other options. Self-insuring might be a possibility.

Resident asked what percent the reserves are funded. They are done based on Threshold Funding and are 36.10% funded.

PRESIDENT'S REPORT

Mr. Priebat reported it has been a good year for FWCM. He thanked the volunteers. E thanked Doug Hughs, Rebecca Pollon, Paul Donner, Jo Ann Cooper, and gave a special thanks to Anne Paone.

RESIDENTS' FORUM

Resident thanked everyone. She stated that she would like to see the Board increased to 9 Board members. Mr. Priebat reported that it would require a change to the Bylaws. New districts would have to be created.

Resident asked about the maintenance storage area. The gates are left open. He is concerned there are break-ins. Mr. Donner stated he can talk to vendors about closing the gates. There have been problems at MOD, too. Mr. Hughes reported that Gauthier indicated they would close the gates and chain them, but not lock them. A streetlight is out. They are putting LED light in them. That particular light has a short and they are working on it.

Resident was concerned about flippers. There is always a tremendous amount of noise, water is shut off and the workers do not wear masks. Mr. Priebat reported that

the Board had checked with the attorney about flipping. There is no law against it. The Board is approving major rehabs. Ms. Kaiser reported that the ACC Committee should get notification for any non-standard requests. Mr. Moe reported that the ACC met and spoke to a contractor. They only approved major construction to be done in 3 days. This was to help mitigate the noise.

Resident said he set aside money in case of special assessments.

Resident asked about the cost of bins. Mr. Moe stated there is no hard law or statute. The Mutual is not charged for compost carts the Mutual pays for landfill dumpsters. Mr. Priebat reported that the trash contract is with the city, not Rossmoor.

Resident thinks there should be 1 bin for compost, 1 for recycling and 1 for landfill. Mr. Priebat stated that each enclosure is different.

RESULTS OF ELECTION and ANNOUNCEMENT OF ELECTED DIRECTORS

I, Anne Paone, Assistant Secretary of FIRST WALNUT CREEK MUTUAL, hereby declare that John Moe submitted his candidacy by the deadline of September 11, 2020, was declared qualified to run for a directorship and was approved by acclamation pursuant to Section 7.6 of the Bylaws of FWCM. The results of the election for Directors of FIRST WALNUT CREEK MUTUAL are in order and that the following person was elected by acclamation:

John Moe

He is hereby seated on the Board to serve a three-year term.

ANNOUNCEMENTS

Mr. Priebat announced there would be an Organizational Meeting immediately following adjournment of the Annual Meeting.

ADJOURNMENT

Having no further business, the meeting adjourned at 11:30 a.m. to an organizational meeting to elect officers.



Anne Paone, Assistant Secretary
First Walnut Creek Mutual