

FIRST WALNUT CREEK MUTUAL
FIFTY-FIRST ANNUAL MEETING OF MEMBERS
TUESDAY, OCTOBER 9, 2018 AT 10:00 A.M.
FIRESIDE ROOM – GATEWAY CLUBHOUSE

President, Gerald Priebat, called to order the Fifty-First Annual Meeting of Members at 10:00 a.m. on Tuesday, October 9, 2018 in the Fireside Room, Gateway Clubhouse, Walnut Creek, California.

PRESENT: Gerald Priebat, President, District 2
Shanti Haydon, 1st Vice President, District 5
John Moe, 2nd Vice President, District 3
Sally Nordwall, Treasurer, District 1
Patricia Donahue, Secretary, District 4

ABSENT: None

Mutual Operations was represented by Paul Donner, Director of Mutual Operations; Doug Hughs, Building Maintenance Manager; Jo Ann Cooper Financial Analyst; and Anne Paone, Administrative Secretary.

Mr. Priebat welcomed the fifty residents who were present.

Mr. Priebat introduced the Board of Directors, Mr. Donner and the MOD staff.

CERTIFICATION OF NOTICE – Anne Paone, Administrative Secretary

Administrative Secretary, Anne Paone, read the Certification of Notice for the Annual Meeting of October 9, 2018 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 19th, 26th and October 3rd and the meeting was included on the calendar posted on the First Walnut Creek Mutual website.

APPROVAL OF MINUTES

Mr. Priebat asked for any additions or corrections to the minutes of the Annual Board Meeting and the Organizational Meeting held on October 10, 2017. Hearing none, Mr. Priebat declared them approved as written and reviewed.

ANNOUNCEMENT OF ELECTED DIRECTORS

Incumbent Jerry Priebat (District 2) submitted his candidacy by the deadline of June 29, 2018, was declared qualified to run for a directorship, and was approved by acclamation from the appropriate District pursuant to Section 7.6 of the Bylaws of First Walnut Creek Mutual.

Therefore, I, Anne Paone, Assistant Secretary of FIRST WALNUT CREEK MUTUAL, hereby declare that the results of the election for Directors of FIRST WALNUT CREEK MUTUAL are in order and that the following person has been elected:

Jerry Priebat

He is hereby seated on the Board to serve a three-year term. Additionally, Patricia Donahue was appointed at a duly noticed Board Meeting on September 28th, 2018 and is elected to serve a three-year term.

PRESIDENT'S REPORT TO THE MEMBERSHIP

Mr. Priebat gave his report as follows:

It has been a successful year. The Mutual finances are in good condition. A new policy, #27-Solar Energy, was approved this year. Remember to go through the Alterations Department for your application. The Board considered creating a website for FWCM, but it is complicated and expensive. The Board decided not to do so.

TREASURER'S REPORT

Ms. Nordwall reported the Mutual is in fine financial condition. The maintenance of our property is skillfully managed by our Maintenance Manager, Doug Hughs.

The accounting department, under the direction of Tess Haskett, and our specific A/R Representative Mireya Cruz is also skillfully handled. There is an incredibly small amount overdue on coupons.

The members pay their coupons on time and hopefully have documentation for the disposition of their property upon moving out or their death.

Specifically, in spite of underbudgeting for insurance, our Operating Account is running favorable to budget by \$71,831. There was enough flexibility and the water cost savings, among others, for us to finish the year ahead, and still have an appreciable reserve.

Troublesome coupon deficiencies are \$70,000 over 90 days and five of those accounts are trust issues.

Mr. Priebat reported that the Mutual has a Budget & Finance Committee. Jean Autry is the chair. They reviewed the proposed budget.

LANDSCAPING

Ms. Donahue read Ms. Pollon's report as follows:

ANNUAL MEETING REPORT-LANDSCAPE

This year we made progress on our three year improvement plan by addressing plant and turf health goals. In the first half of the year we replaced many dilapidated lawns and completed many mid-sized projects. We also continued our compost and mulching projects from Golden Rain 25 through all of Pine Knoll, continuing through Oakmont in 2019.

With the remainder of the year we will be focusing all our attention to many more plant replacements in order to plug holes in the landscape when the weather is cool and establishing them won't increase water usage.

ANNUAL MEETING REPORT-TREE

Preventative building clearance was performed on a large percentage of trees in the mutual over the last 6 months. As trees continue to grow larger over time more maintenance may be required to prevent them from hitting buildings and overhanging roofs.

A few dozen trees that were declining in health and posing potential hazards were removed this year, many of them Pine trees.

RESIDENT REQUESTS

If you have landscape *maintenance* requests (pruning or irrigation), please direct them to the MOD work order desk. If you have landscape *improvement* requests please contact your mutual landscape representative.

WORK ORDER DESK

By phone: 988-7650

By email: WORKORDER@ROSSMOOR.COM

MUTUAL'S OPERATION REPORT

Mr. Hughs gave the following report.

Building Rehab Work- We continue to maintain the buildings on an 8—10 year painting cycle. A total of 25 buildings will be completed by the end of this year. We continue to use the six different paint schemes which were approved by the Board in 2010 and almost have all buildings in FWCM completed with these colors.

Roofing work- All of the roofing work this year focused entirely on the flat sections of building roofs throughout the Mutual. The majority of these roofs were last done in 1995 with what we call single-ply Durolast material. Five building roofs and six carport roofs were replaced this year. We have been replacing these roofs with the same roofing material since their performance has proven well and a 23 year life for a flat roof is very good. An added bonus is that the Durolast company takes back the old material and recycles it free of charge.

All of the original cement tile roofs on the sloped sections of building roofs in the mutual have been replaced over the years with a 40 year fiberglass comp shingle. Since the oldest comp shingle roofs were done in 1995 they should not need to be looked at for replacement until at least the year 2030.

Water cooled A/C conversions- This year will complete the Water cooled A/C conversion program. This has been going on for the past three years and by the end of this year 348 of the 542 units in project one will have been replaced. This works out to 64%. We were able to accomplish this in three of the six building styles: the Sonoma/Sequoias, the Mendocino's and Yosemite's. The other three building styles lack the attic space or basement space needed to accommodate the additional electrical and freon lines to make this happen. This work in project One encompasses all entries on Fairlawn Court and Rockledge Lane, Tice Creek C and Oakmont Drive entries 1-8. This should have a large impact on water savings for FWCM in future

years.

In the public works area, we continue to replace concrete that has lifted and can cause tripping hazards. Four entire entries have been repaved with new asphalt and eight emergency water main breaks have been repaired.

COMPOSTING

Mr. Moe reported that he is starting a compost pilot program. The green bin is for organic composting, some of which includes food waste, napkins, plants, and leaves. We need to reduce the landfill. There is a food scraps bucket and a recycle bag that is given to people in the pilot program. You can line the bucket with compostable plastic bags to control the odor. Organics is coming to all of Rossmoor next year. Mr. Moe reported that he has some recycle bags.

VETS MOVE JUNK

Ms. Haydon reported that on October 1, one hundred and eleven residents participated in having items picked up. The cost to the Mutual was \$1,497. It was very successful. The Board would like to do it again in April. Please remember to call by the deadline.

BUDGET

Mr. Priebat introduced Mr. Chakoff.

Ms. Nordwall introduced Jo Ann Cooper and reported that she works hard all year compiling numbers for the budget.

Mr. Donner gave a summary of the budget for 2019. 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, etc.

MOD's fee will go up due to a 3.8% COLA for employees.

Insurance is purchased in December, so a best estimate is figured into the budget. We will see an increase of \$5.62, which is up by 23.4%. This increase is due to events that happened this year in Rossmoor.

The total increase for Utilities is \$.01. This is due to a decrease in the fee for the Recycling Center of \$1.52, which offsets the small increases for Water and Trash & Recycling.

There is a new line in the Budget for Working Capital. The contribution will be \$2.60.

The overall increase, including GRF, will be \$15.00 for a total monthly payment of \$683.00 per manor.

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

Resident asked about remodeling and the noise that occurs. Mr. Donner responded the fees on alterations are not part of the budget. The owner pays directly. Alterations is not on the budget. MOD has written new guidelines for contractors.

The reserve budget is to maintain buildings and items.

Resident asked about money to repair damage from an earthquake. Mr. Donner

responded that an owner can get personal insurance. Mr. Chakoff responded that the cost is allocated among all the doors of the Mutual. Resident is concerned about fire and sparking in outlets. Mr. Priebat reported that outlets are the Mutual's responsibility. Residents should call the work order desk if they hear buzzing or see sparking from their outlets. Resident asked who makes the decision to transfer funds, if it is needed. Mr. Donner responded the transfer is done with Board approval. Resident asked if there has been any consideration given to Mutual-owned solar panels. Mr. Donner responded that he hasn't heard anything yet. The Mutual only covers the outdoor lighting, so it might not be much of a savings. Resident asked about the cost of the laundry rooms. Mr. Donner responded that the machines are contracted. They are listed under Mechanics and Electrical.

RESIDENTS' FORUM

Resident asked about coordinating the Mutual policies with MOD policies regarding contractors. Resident asked about the cleaning of carports. Mr. Priebat responded that each resident is responsible to sweep their carport. Resident thanked the Board and staff for all of their work. Resident asked how many buildings have PG&E gas line valves that have been painted over. Mr. Hughs responded that he never heard of the Fire Department or PG&E ever reporting that as an issue. Resident reported being frustrated because guest parking area has not been addressed by landscaping. The area is mostly dirt. There is a dead Birch tree. It is in Entry 15-Oakmont. Mr. Priebat responded that a lot of the work will start in the fall. Mr. Moe will take a look at the area today and see if he can help. Resident reported faucet not working. Mr. Hughs will meet him and check it out.

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 11:25 a.m. to an organizational meeting to elect officers.



Anne Paone, Assistant Secretary
First Walnut Creek Mutual