

WALNUT CREEK MUTUAL THIRTY-NINE

ANNUAL MEETING MINUTES WEDNESDAY, MAY 27, 2020 at 1:00PM ZOOM MEETING

Call to Order

The First Annual Mutual Thirty-Nine Members meeting was called to order at 1:01PM

Ballot Counting Commences

Richard Fong, III with Election Inspector Services, LLC announced that he will now open and tabulate the ballots for the 2020 Director Election and Restated Declaration of Covenants Conditions and Restrictions of Walnut Creek Mutual Thirty-Nine. The meeting continued while ballots were tabulated.

Introductions

Claire Wolfe, President
Al Guskin, Vice President
Bill Claussen, Treasurer
Mike Dwyer, Secretary
Jennifer Mu, Director at Large

Committee Chairs: Jean Fasholz, Landscape; John Rice, Governing Documents; Bill Claussen, Budget and Finance; Mike Dwyer, Communications; Judith Schumacher-Jennings, Recycling; and Jenifer Mu, Building Maintenance/Alterations.

MOD Staff: Kelly Maki, Board Services Coordinator; Clayton Clark, Building Maintenance Manager; Paul Donner, Director of Mutual Operations.

GRF Representatives: Dwight Walker and John Kikuchi

Certification of Meeting

Kelly Maki, Assistant Secretary of WALNUT CREEK MUTUAL THIRTY-NINE, announced that in accordance with Section 4.4 of the Mutual's Bylaws, notice of the annual meeting was mailed to all owners on May 15, 2020.

Approval of Minutes

Since this was the First Annual Meeting of the Members for Mutual Thirty-Nine, there were no previous annual minutes to approve.

Residents' Forum

A Resident's Forum was held for comments and questions from the membership. No comments were made.

Approval of IRS Resolution

RESOLVED, that any surplus funds remaining in the Mutual's budget at the end of the fiscal year shall be applied to the following year's budget as provided for in IRS Revenue Ruling 70-604.

Passed by voice vote with no objections or abstentions

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President's Report

Claire Wolfe gave the following report:

THIS IS OUR FIRST ANNUAL MEETING AS A SEPARATE MUTUAL AND I AM VERY PROUD OF THE ACCOMPLISHMENTS WE HAVE HAD IN THIS TIME.

OUR GOAL WHEN SEPARATING FROM MUTUAL 3, WAS TO CREATE A MUTUAL THAT WAS TRANSPARENT AND INCLUSIVE. WITH SEVERAL COMMITTEES ESTABLISHED TO DO THE WORK OF THE MUTUAL AND AN ACTIVE BOARD, WE HAVE ACCOMPLISHED THIS WITH MORE THAN 20% OF THE 130 MANORS/RESIDENTS BEING INVOLVED IN FINANCE, RECYCLING, LANDSCAPING, GOVERNING DOCS AND COMMUNICATIONS. BOARD MEETINGS HAVE BEEN WELL ATTENDED AND ALLOWED RESIDENTS TO SPEAK DURING THE MEETING. THE COMMITTEES HAVE WORKED HARD AND CONTINUE TO WORK TO PUT IN PLACE THE THINGS THAT MAKE US A PLEASANT NEIGHBORHOOD. PARTICIPATION IS ALWAYS WELCOME. OUR RELATIONSHIP WITH MOD, LANDSCAPING AND GRF HAS BEEN POSITIVE AND SUPPORTIVE.

THE COMMITTEE REPORTS WILL COVER MANY OF OUR ACCOMPLISHMENTS SO I WILL BE BRIEF.

ONE OF THE BIGGEST HEADACHES WE INITIALLY FACED AS A MUTUAL WAS THE REBUILDING OF THE THREE UNITS DESTROYED BY A FIRE WHICH WAS THE RESULT OF A RESIDENT'S DAUGHTER SMOKING AND NOT PUTTING OUT HER CIGARRETTE PROPERLY. THIS CARELESSNESS COST HUNDREDS OF THOUSANDS OF DOLLARS WHICH, FORTUNATELY WAS COVERED BY OUR GRF MASTER POLICY. HOWEVER, IT DOES NOT BEGIN TO SAY HOW MUCH GRIEF IT BROUGHT TO JEAN FASZHZOLZ AND ME! IT TOOK ALMOST A YEAR AND A HALF TO GET US BACK INTO OUR UNITS, AND I AM PLEASED TO SAY, WE ARE HOME AND VERY HAPPY TO BE HERE. THE RESTORATION OF THE END UNIT WILL BE STARTING IN A FEW WEEKS. IT WILL BE A CHALLENGING SUMMER FOR ALL OF US TO ENDURE MORE BUILDING NOISE, BUT AT LEAST THIS WILL BE THE END.

IN CLOSING, THANKS TO ALL WHO HAVE PARTICIPATED, FROM THE INITIAL DISENGAGEMENT COMMITTEE TO ALL THE COMMITTEES YOU WILL BE HEARING FROM. I URGE EVERYONE TO THINK ABOUT FINDING AN AREA OF INTEREST AND PARTICIPATING. IF EVERYONE TAKES A TURN, IT IS NOT THAT BURDENSOME. ACTUALLY, I HAVE FOUND IT VERY WONDERFUL TO MEET PEOPLE I DIDN'T KNOW BEFORE. I THINK YOU WILL FIND THIS TO BE TRUE FOR YOURSELF.

THANK YOU ALSO TO KELLY MAKI WHOS SUPPORT MAKES OUR WORK GO SO MUCH EASIER. WHILE KELLY WAS OUT ON MATERNITY LEAVE, LUCY LIMON STEPPED IN AND DID A TERRIFIC JOB AND WE THANK HER.

THANKS TO MOD AND THE STAFF THAT SUPPORTS US WITHOUT COMPLAINT AND WITH GREAT EXPERTISE. IT TRULY TAKES A VILLAGE. AND IM GLAD THAT OUR TWO GRF REPRESENTATIVES ARE HERE TO BE PART OF THIS MEETING, EXTENDING OUR RELATIONSHIP WITH THE GRF.

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IT IS CERTAINLY AN INTERESTING TIME. NEVER THOUGHT OF LIVING THROUGH A PANDEMIC. IF YOU HAVE TO BE ANY PLACE FOR SUCH AN EVENT, I'D SAY ROSSMOOR IS A TERRIFIC PLACE TO SHELTER IN PLACE.

Committee Reports

1. Budget and Finance Committee: Bill Claussen

Bill Claussen reported on the monthly financial statements. Bill stated that this year the Mutual decided to do a full audit for the year 2019. The next two years will be a review and a full audit is required the year after that. It was recommended to the board by the committee that the insurance refund be used to pay back reserves that were borrowed to cover the annual insurance premium.

Paul Donner gave a presentation on the Budget components: operating costs, reserve funding, and GRF portion that includes cable services.

2. Landscape Committee: Jean Faszholz

Jean Faszholz gave the following Report:

The Landscape Committee tries to address the requests of individual owners by first inspecting the area of concern and contacting Steve Ormond if some action is required. Steve gets Kevin Jackson of Terra Landscape to price the job, which then goes to Claire for approval or not. We are all aware of the budget, especially this year! Coming up are Mutual 39's days when the landscape rehabs are done by our in-house crew (not Terra Landscape) and the labor charges have already been paid. This is when we try to get large projects done, such as removing poorly performing lawns and redoing irrigation. Please let Claire or me know if you think an area near your condo would qualify.

Every year there is a walk with Steve and Ed Waraner to inspect the trees. Trimming and removal is budgeted. Some of our trees have reached their longevity and more and more will need to be removed, which of course is expensive. This is something that should be addressed at budget time.

I thank the Landscape Committee members, Judith Schumacher-Jennings, Olga Gordon and Helen Vassar and am grateful that they are all willing to serve with me another year.

3. Building Maintenance/Alteration Committee: Jennifer Mu

Jennifer Mu gave the following report:

Building Maintenance

The Committee works closely with Clayton Clark, our maintenance manager, in dealing with any maintenance issue that comes up. Our buildings are on a 10-year rehab schedule. For buildings that are due for rehab in any given year, MOD will have an inspection done prior to the rehab, including termite inspection, to determine what repairs are necessary. Buildings will get two coats of fresh paint during rehab, and the front and back decks/balconies will be recoated for

protection.

Last year MOD completed rehab work on 2502 Saklan Indian Dr. in Entry 1. The driveway in Entry 5 was repaved. Two fire-damaged units in 2608 were rebuilt.

Year 2020 begins a new 10-year rehab cycle for M39. The two buildings in Entry 3 will be worked on this year.

Clayton is also getting ready for the professional inspection of elevated structures – balconies, stairs - that is required by the new state law. For the buildings in our Mutual, the inspections could begin sometime next year. We will need to address the fiscal impact of this legal mandate when we do next year's budget. The first report of the inspection must be completed by January 1, 2025.

Alteration

To shorten the turn-around time, the Board has streamlined the permit process by delegating to MOD the approval of all indoor remodeling work. Alterations outside your unit that affect the common area, such as enclosing balconies, installing solar panels and skylights, still need Board's approval. Members should read the Rules before talking to a contractor when planning to remodel. This could save time and possibly headaches down the road.

If your remodeling project ends up needing touchup paint for the exterior of your building, we now have a paint color chart posted on our website, thanks to Clayton and Sharon Fees. In February the Board has voted to terminate the free paint program, but members can still call MOD for a quart of paint at your own cost. Keep in mind there will be a charge for MOD staff time spent on looking for the color codes, so it will save you money if you look up the color on the website before you call MOD for the paint. Or you can just go to Sherwin Williams to get the paint yourself.

4. Communications Committee: Mike Dwyer

Mike Dwyer gave the following report:

The journey actually began before we were ever Mutual 39 in 2018. Using our volunteers, we canvassed the manor owners of "project 39" to inform them of the issues, answer their questions and get out the first vote to proceed with disengagement form Third Walnut Creek Mutual. These efforts produced a return of 111 ballots out of 130 members.

Once we had the vote to move forward, we tried to consolidate our email list with GRF as we only had 66 names out of 130. This did not help as the combined list only got us to 73. After a few attempts to improve, we turned the project over to Carol Ainsley. She was able to get the list up to 113!

During this time, we still had a lot of meetings that required notification of our members. These were done by direct mail and mailbox leaflets.

Since we have used email successfully for announcements and meeting dates.

Going forward we will endeavor to coordinate with GRF to update our email list as manors are sold and reoccupied.

5. Recycling Committee: Judith Schumacher-Jennings

Judith Schumacher-Jennings gave the following report:

In keeping with the California Global Warming Solutions Act of 2006 which regulated greenhouse gases, Governor Jerry Brown signed Senate Bill No.1383 into law in September of 2016 which called for reducing organic waste in landfills.

Other neighborhoods in Walnut Creek were making significant progress in meeting the goals, but Rossmoor was behind. Carol Weed, member of Sustainable Rossmoor, decided to take on the challenge and started the Trash Talkers committee. In the course of her information gathering she learned that Rossmoor was built out prior to the installation of Recycling Bins. Although the Landfill bins could have been downsized at the time Recycling Bins were introduced, they were not, resulting in most of the trash enclosures becoming too small to navigate. She also learned that although the mutual was charged to empty landfill bins, there was no charge for emptying recycling bins or compost bins. In addition, the smaller the landfill bins the less the charge to empty them. As a result, landfill bins could be downsized, there would be more room to move around in trash enclosures, mutuals would save money and we would be making an impact in curtailing greenhouse gases by diverting compost from landfill.

Carol Weed and her Trash Talkers Committee went about informing the wider Rossmoor Community. They sponsored events with speakers from Republic Services and Recycle Smart. I attended one of the presentations and asked Claire Wolfe if Project 39 could look into downsizing. When we became Mutual 39 Claire asked me if I would chair a committee to assess the viability of downsizing. Carol Weed helped with finding members Nancy Moran, Mary Allen and Gessica Johnston.

The committee divided up the mutual entries and did a survey over four weeks two different times last year. As a result, the trash enclosure bins were downsized or rightsized.

I put info in our newsletter to help with sorting. In addition, landfill/recycling/composting info is in the white pages of the Rossmoor phone book. The latest information is on the Sustainable Rossmoor website under Trash Talkers. Sorting of trash has become something of a science and keeps changing. In addition occasionally we have incurred fines if bins are overflowing, if we set items next to the bins, if recycling bins are contaminated with food or regular recycling is contained in plastic garbage bags or shredded paper or plastic bags are not bagged in bags.

Making adjustments to our rightsizing can be necessary, but unfortunately is a slow process.

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Everyone's efforts are appreciated. Our mutual has saved thousands of dollars as a result.

6. Governing Documents Committee John Rice

John Rice gave the following report:

First, I would like to recognize and thank all the members of the Governing Documents committee

- Carol Ansley
- Mike Dwyer
- Denise Mauldon who replaced Claire Wolff
- Jennifer Mu

for all the hours they have put in working on our Governing Documents (and other projects).

All have indicated they are willing to serve another year.

To recap our achievements during the first year and half of M39

M39 Governing Documents committee Milestones

Oct	1	2018	Disengagement Agreement w/TWCM
Jan	18	2019	Articles of Incorporation
Jan	16	2019	Bylaws adopted
Jan	31	2019	Mutual 39 Independent of TWCM - GRF signs "Attachment A" making us Trustee and Beneficiary of GRF.
Feb	08	2019	MOD Management agreement signed
Mar	26	2019	Rules & Regulations approved (aka Policies & Procedure - rollover TWCM - change to M39 and names of Officers
Aug	20	2019	Lease Agreement approved by BOD
Jan	01	2020	SB323+ becomes effective
Feb	10	2020	Election/Voting Rules Updated
Mar	15	2020	Covid-19 - Shelter in Place
Apr	18	2020	e-mail address list (113/130 covered) to enable operations and communication during SIP
May	27	2020	Restated CC&Rs Approved! 103 "Yes" out of 104 votes returned (79.2% of 130 manors)

We now move on to updating Rules and Regulations

- Expert Member involvement welcome
- Member review of all changes – no votes!
- BOD approves

I would like to thank all Mutual members and the Board for their input and support, and

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MOD (Paul, Clayton, Kelly, ..) for their expertise during the year.

Balloting Results

The number of members who submitted ballots exceeded the majority requirement of 66 members.

There were 2 positions available and 2 candidates submitted their names for the available positions. The majority of votes were cast for to Bill Claussen (92) and Jennifer Mu (92). Based upon the vote of the Walnut Creek Mutual 39 membership, Bill Claussen and Jennifer Mu were elected as the 2020-2023 Board members for Walnut Creek Mutual 39.

The members also voted of 103-1 to approve the Restated Declaration of Covenants Conditions and Restrictions of Walnut Creek Mutual Thirty-Nine (Mutual 39) Formerly Project Thirty-Nine. Therefore, 79.2% of the total member voting power (130) voted to approve the Restated Declarations of Covenants, Conditions and Restrictions of Walnut Creek Mutual Thirty-Nine (Mutual 39) Formerly Project Thirty-Nine.

Announcements

An organizational meeting of the board will directly follow the annual meeting. The next scheduled Board Meeting will be held on Tuesday August 18, 2020 @ 1:00 PM in the Board Room at Gateway..

Adjournment to Organizational Meeting

President Wolfe adjourned the meeting at 2:10 p.m. and the Board moved into an organizational meeting.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the minutes of the Board of Director's meeting.



**Assistant Secretary
Mutual 39**