



## Walnut Creek Mutual Forty

Walnut Creek Mutual No. Forty  
4th ANNUAL MEETING MINUTES  
THURSDAY, March 28, 2024 AT 1:00 P.M.  
FAIRWAY ROOM – CREEKSIDE  
1010 STANLEY DOLLAR DR. WALNUT CREEK, CA 94595

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### **Call to Order**

President White called the Annual Meeting of the Members to order at 1:06 p.m.

### **Directors Present**

Susie White –President  
Greg Gould – Vice President  
Gayl Westendorf – Treasurer  
Nancy Herney – Secretary  
Kathy Parish – Director at Large

### **MOD Staff Present**

Mutual Operations staff was represented by:  
Jeroen Wright, Mutual Operations Director  
Clayton Clark, Building Maintenance Manager  
John Tawaststjerna, Landscape Manager  
Bud Baxter, Accounting Manager  
Lucy Limon, Board Services Coordinator.

### **Certification of Meeting**

A Call for Candidates was published in the November 15th, November 22nd, and November 29th, 2023, editions of the Rossmoor News. The Mutuals' Board Office received two nominations from the membership, Greg Gould and Kathy Parish.

In accordance with Davis Stirling, the Mutual 40 Board was eligible to appoint the candidates by acclamation for this year's election given that at the close of the period for making nominations, there were the same number or fewer qualified candidates as there were Board positions to be filled. A motion was made at the February 29th, 2024, Board meeting, to appoint the two candidates to the Board via acclamation at the March 28th, 2024, Annual Meeting.

In addition, in accordance with Corporations Code §7511(b), a notice of the Annual Meeting was also mailed to the membership on March 18th, 2024.

### **Announce Election Results**

- a. Greg Gould
- b. Kathy Parish

The above Candidates are elected by Acclamation according to Corporations Code Section 7511(b).



## Walnut Creek Mutual Forty

### **President's Report**

Ms. White reported the following:

I would like to thank my board and committee chairs for a team effort well done this past year. Until this past year, it has been very confusing for MOD to assist us with two separate projects and no defined policies. We have relied on our CC&Rs as our guideposts for functioning.

During this year we have completed our policies with your help and input and will now combine them into a workable document for our website. In addition, we have passed an amendment to our CC&Rs to join our two projects inherited from TWCM into one single Mutual. This will enable us to work with only one set of financial documents and to proceed with maintaining our mutual in a more cohesive manner.

I would like to thank Nancy and her committee for finalizing our Policies. It was a huge job and will be ongoing as we move forward to serve you well. Gayl, we could never have accomplished what we did this year without your strong financial and legal leadership. Through you we have not only become one mutual without separate projects, but we are now making money on our reserves and have influenced other mutuals to do the same. Kathy, you and Shari have moved our landscape efforts to new heights, working with John T and Waraner to make our Mutual more lovely and fire safe. And, Greg, I could not have been a president without my right-hand man. In addition to chairing the alterations committee and trying to guide MOD's alterations department, you have stepped in for me in many ways.

Property insurance continues to be the most important and difficult challenge facing our Mutual and all other Rossmoor Mutuals. The cost of insurance has increased by over 500% over the last 5 years. On top of that, GRF and Rossmoor Mutuals are no longer able to buy insurance that will provide 100% replacement value coverage in the event of a catastrophic fire that destroys a large portion of Rossmoor. (Except for a deductible, our homes are still fully insured as long as the aggregate losses from a fire do not exceed \$1.16 billion.)

Unless and until we are again able to obtain 100% insurance coverage or mortgage rules are changed, owners and prospective owners will no longer be able to obtain mortgage loans from traditional mortgage lenders, including purchase loans, home equity loans and reverse mortgages. That's because the federal mortgage agencies (Freddie Mac and Fannie Mae) and traditional mortgage lenders currently require full replacement value insurance coverage.

The increased cost of insurance, the inability to obtain full insurance coverage and the inability to obtain traditional mortgage loans are already adversely impacting the marketability and market value of Rossmoor homes.

This insurance crisis is not unique to Rossmoor. Other large condominium communities, both in California and elsewhere, are facing the same crisis.



## Walnut Creek Mutual Forty

The insurance task force formed by GRF and Rossmoor Mutuals is continuing to work with Rossmoor's outside insurance experts to seek solutions, including possible regulatory and legislative solutions. As announced in the Rossmoor News, GRF is hosting another town hall meeting on April 12, at 10 am at the Event Center, and via zoom, to discuss the insurance crisis. Speakers will include Rossmoor's outside insurance expert as well as two state legislators. We urge all members to attend, either in person or via zoom. We have a flyer about the event by the coffee in the back of the room. Finally, based on advice from our legal counsel, the board has recommended that members approve certain amendments to the insurance provisions in our CC&Rs to reflect the reality that we currently are unable to obtain full replacement value insurance. The proposed amendments make it clear that our Mutual is only required to obtain property insurance with coverage levels that are reasonably available and reasonably affordable, as determined by our Mutual's board of directors. Other Rossmoor Mutuals are making similar amendments to their CC&Rs.

These proposed amendments were mailed to members earlier this month, along with a voting ballot form. We ask that all members complete and return their ballots ASAP.

It is with sadness we have an empty chair in the room, formerly occupied by Stan Wells who passed away earlier this this month. He provided wisdom and humor in guiding us to keep our recycling under some semblance of control. He will be sadly missed. At the present time we have no new leader for this committee. We hope that one of you will step up to fill his shoes. Stan gave his all for Mutual 40 and your trash/recycle bins are proof that his efforts have helped us. We will have no report on this committee for the time being.

Finally, I give thanks to you, Lucy, about to bring another little person into this world, for all you have done to help and guide us this past year. Thanks to all of you!

Today you will hear reports from our committee chairs on their accomplishments this past year, and I thank them for their dedication and service to our mutual.

### **Vice President's Report**

No report was given.

### **Treasurer's Report**

After expressing some thoughtful remarks about the passing of Mr. Wells, Mr. Westendorf reported the following:

Financial Snapshot 2/29/2024:

- Operating fund balance: \$293,000
- Reserve fund balance: \$1,911,000
- Reserve fund investments: \$1.21 million in US Treasuries (4.8% interest), \$451,000 in interest-bearing checking account (4.5% interest), \$250,000 in temporary loan to operating fund for prepaid insurance (0% interest)



## Walnut Creek Mutual Forty

### Successful initiatives in 2023:

- Merged Projects 40 and 41
- Managed controllable expenses
- Improved management of member receivables
- Increased working capital in operating fund
- Created a 10-year reserve forecast
- Increased balance in reserve fund
- Improved investment returns on reserve fund
- Improved communications with members on financial matters

### 2024 Initiatives:

- Develop prudent reserve funding plans for future reserve expenses
- Update 5-year overall financial (and coupon) forecast
- Look for more ways to reduce controllable expenses (e.g., utilities, building and landscape maintenance, administrative and professional services)
- Continue to maximize investment returns on reserve fund
- Continue to improve communications with members on financial matters

### **Secretary's Report**

Ms. Herney reported the following:

As Secretary of the Board, my responsibilities include the keeping of minutes, agendas and meeting notices. I've been blessed to have Lucy as my assistant Secretary and she is really the master of all of this. Lucy is the most tenured Board Services Coordinator and as such she has been a valuable partner and I rely on her support. We have not had any missed commitments.

This year one of my goals will be to improve the timely notification to residents regarding meetings and more importantly, the timely approval and posting of meeting minutes.

We will soon be asking all Owners to update their information for the annual collection of preferred delivery methods and verification of Owner's addresses. This is an important process as it ensures that we have accurate information for the distribution of documents (meeting notices, email blasts and agendas, etc.). We will be encouraging all residents to opt for email delivery whenever possible and practical. The expense to send documents via first class mail (except when required by law, such as voting and elections) has gotten very expensive and if expenses go up so goes our coupons. We'll be asking residents to please be thoughtful about opting into 'email' only to help control our postage expenses.

I will be continuing this position in 2024 however Lucy is going on a several months' long family leave and there will be a temporary backfilling for her. I will miss having Lucy as my trusty assistant but we will forge ahead while Lucy takes care of her growing family

### **Report of Committees**



## Walnut Creek Mutual Forty

**i. Finance/Audit Committee**

Nothing to report beyond the Treasurer's Report.

**i. Landscape Committee**

Ms. Parish gave the following report:

Mutual 40's Landscape Committee had representation from all our Entries. The members were:

Saklan Indian: Entry 2- Susie Manners and Susie White

Entries 6&8- Shari Carroll

Entry 10- Myrna Conway and Lois Cain

Terra California: Entry 9- Rod Williams and Ted Bush

Entry 10/12- Fred Kern

Entry 11- Barbara Bigelow

Entry 14- Karyl Tom and Janis Duysen

Last year, 2023, was a memorable year for all of us. It was dominated by Atmospheric Rivers and strong storms. As a result, priorities shifted to removal of large, weakening, and dying trees. Mutual 40 removed 7 trees, including 2 very tall Eucalyptus. During the year there were also 2 emergency removals. This work is done by Warner Trees.

Another focus was the continued removal of Junipers, especially on uphill slopes or close to buildings. Junipers are a significant fire hazard, and this will be a multi- year project. Removals in Entry 2 opened up a large flat area and plans were started to develop this area into a Meeting Area. This will continue into 2024.

Shari Carroll, the Committee co-chair introduced resident request forms to be distributed by the Coordinators. The purpose was to meet requests in a more efficient, timely way. This is very important for scheduling our MOD work days, plant requests, and new trees. It also helps us work better with Terra, who do the monthly maintenance, to "stay on top of things". At the end of the year, the coordinators found that the forms were successful and they will be continued.

Three Private Gardens were reclaimed by the Mutual upon the sale of the Condos.

Also there was a continuing effort to educate members about our CC& R's that state that no removals or additions can be made to the Common Area without the prior written consent of the Board or Landscape Chairpersons.

The design for grass reduction on the Saklan Indian hill between Entry 6 and 8 began with a meeting with John T. and his team to plan the process and the design.

In June, the committee organized the Ice Cream Social and the Dedication of "Yearout Park" in honor of Geri and Floyd Yearout for all they have contributed to the Mutual over the past years.

Lastly, we defined the Roles and Responsibilities of the Landscape Committee for the Mutual 40 CC&R's.



## Walnut Creek Mutual Forty

This is posted on our website.

### **i. Governing Documents**

Ms. Herney gave the following report:

Chairing the GDC has been a challenge in so many ways; it didn't come with a road map or instructions, we were operating without any approved Policies and Rules and were attempting to make TWCM rules work for us and they were not adequate.

I was fortunate to have Pat Kelley (Mr. Practical) and Cynthia Schneider (Ms. No Detail Too Small) on the GDC with me and together we accomplished a great deal and are still speaking to one another. Last year at this time we had no Policies or Rules to call our own and as of today we have a full and complete set.

I would be very remiss if I did not recognize Gayl Westendorf who was invaluable in getting this work across the finish line. His legal background was beyond helpful and his partnership has been constant...who else would spend hours helping to research the benefits of using a NEMA plug when installing an EVCS. The entire Board is to be complemented on their willingness to review, comment and then review again, over 90 pages of content.

A major deliverable for the GDC for 2024 will be to finalize the merging of all our adopted Policies and Procedures into a manual format. Ms. White and I have begun work on that and hope to have it completed within the next 30 days.

We will continue to follow the progress of the Insurance crisis in Rossmoor to understand the impact to Mutual No. Forty. The Second Amendment is currently before the membership for approval and, earlier, Susie outlined why this Amendment is necessary. If anyone has not voted, please do so before our April 11 meeting. In addition, if anyone needs a replacement ballot please reach out to me or any other Board member or contact Lucy Limon directly.

We will be monitoring the battery back-up and power wall efforts that are underway. Fred Kern has involved on this one and has been very valuable providing updates and status.

Other priorities will come up through the year....as always, we can expect the unexpected!

### **i. Building Maintenance**

Mr. Kern reported the following:

As the new Chair of the Building Maintenance Committee, the Committee will be looking at 3 projects for 2024:

- CLF to LED Conversion Policy
- Review the positioning and safety of all path light



## Walnut Creek Mutual Forty

-Water incursion in cement slabs (dealing with one currently).

### ii. Alterations Committee

Mr. Gould reported that, in 2023, over 20% of the manors in Mutual Forty have submitted an alteration request. This is an excellent indication that our Residents are taking exceptionally good care of their manors. This past month, 5 alterations permits were submitted including HVAC, complete remodels, bathrooms, and kitchens.

### i. Emergency Preparedness

Ms. Parish presented the following report:

Mutual 40 continued to have dedicated Entry Coordinators for each of our Entries and these volunteers were:

Saklan Indian- Entry 2- Christine and Craig Hagelin

Entry 6- Jack and Nancy McFarland

Entry 8- Kay Doyle

Entry 10- Judy Freed

Terra California-Entry 9- Pat Shanahan and Eileen Levin

Entry 10/12- Nancy Herney

Entry 11- Jane Moran

Entry 14- Jean Moulaison

Their continuing efforts included welcoming new neighbors, providing information about the Mutual, and obtaining Emergency Contact Information. In addition the committee planned several events to focus on our theme of "Home Fire Safety".

In June, there was a presentation by Noelle Cross, the Public Safety Officer for the Contra Costa County Fire Department. It was attended by over 60 Residents in the Fireside Room.

In August we sponsored two presentations, one in Entry 9 and the other in Entry 11. Best Equipment provided information and demonstrated the correct use of fire extinguishers and gave residents the opportunity to repair or replace their current fire extinguishers.

In March, we updated the EPO Committee's Statement of Purpose for our CC& R's. This was passed at the April Board Meeting and is available on the Mutual 40 Website.

In the final meeting for the year, it was decided the focus for 2024 would be "Sheltering in Place" and "Filling the Gap" if Rossmoor is unreachable by the Civil Authorities after a natural disaster. Stay tuned....

### i. Recycling and Green Committee

No Report was given.



## Walnut Creek Mutual Forty

### **Announcements**

Organizational Meeting of the 2024-2025 Board to follow immediately after adjournment.  
The next Regular Board meeting will be held on April 11, 2024, at 1pm in the Clubroom at Creekside.

### **Members Forum**

Residents were afforded the opportunity to express their general concerns and make comments.  
Comments included hard-surfaced flooring and landscape.

### **Appointment of Lucy Limon as Chairperson Pro Tem for the Organizational Meeting**

Ms. White Moved, Ms. Parish Seconded, Carried 5-0

### **Adjournment**

The Annual Meeting adjourned at 1:47 PM.

### **Secretary's Certificate**

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

Lucy Limon

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Assistant Secretary  
Mutual 40