



Walnut Creek Mutual Forty

MEETING MINUTES OF THE BOARD
THURSDAY, OCTOBER 26th, 2023, AT 1:00 PM
FAIRWAY ROOM AT CREEKSIDE
1010 STANLEY DOLLAR DR – WALNUT CREEK, CA 94595

Call to Order

President White called the meeting to order at 1:02 p.m.

Directors Present

Susie White – President
Gayl Westendorf – Treasurer
Nancy Herney – Secretary
Kathy Parish – Director

Directors Absent

Greg Gould – Vice President

Staff Present

Clayton Clark, Building Maintenance Manager
Bud Baxter, Budget Manager
Lucy Limon, Board Services Coordinator

Approval of Minutes

1. Board Meeting Minutes of September 28th, 2023
2. Executive Meeting Minutes of September 28th, 2023

Kathy Parish made a motion and Gayl Westendorf seconded to approve the minutes to the aforementioned Board Meetings with 2 corrections.

Moved, seconded, Approved 4-0

President's Report

Susie White gave the following report:

Today your board of directors will discuss our tentative 2024 budget and hopefully approve it. This does not require a member vote, but it does require showing you all the information. I am so proud of our Finance Committee and the folks at MOD who have presented us with our new budget and some future projections. Gayl will take you through the budget with the help of some of our valued MOD personnel. Therefore, I will make my remarks short. Your Mutual is in fine shape. Our 2023 Rehab and Painting Project continues, and we will paint as the weather permits. We have changed the trim color for two of our options as we have discovered they are not as visible as we had wished. I will meet with the residents in Entry 10 on Saklan very soon.

We have two Entry 10s which I have discovered is not that unusual. I will confer with the board to see



Walnut Creek Mutual Forty

if we will eliminate Entry 10 on Terra California since it immediately joins Entry 12 and would be an easy fix. The change would be minimal—it would require changing the sign into Entry 10 to Entry 12, and changing the maps we have of the mutual. Keep tuned for the potential change.

I encourage you to consider running for the 2024 board of directors. Kathy Parish and Greg Gould have indicated that they will again run for the board, but we welcome other nominations. And of course, you may nominate yourself! Nominations close in December and installation of our new board will occur at our annual meeting in early March.

Treasurer's Report.

Gayl Westendorf reported that all directors have received and reviewed the financial reports for Projects 40 and 41 for the month of September, and moved that the board certify its compliance with Civil Code section 5500. That motion was seconded and **approved 4-0.**

Mr. Westendorf reminded Project 41 owners that their special reserve assessment (approved as part of the financial merger of Projects 40 and 41) is due on November 1.

Finance Committee Report:

Mr Westendorf reported that the Finance Committee met on October 19 to review and discuss the draft operating and reserve budgets for 2024, which will be presented to the board later in this meeting.

Committee Reports

Landscape Committee -

Kathy Parish gave the following report:

The Landscape Committee met on October 4th and Susie White, Susie Manners, Karyl Toms, Ted Bush, Rod Walker, Shari Carroll, and Fred Kerns attended.

The Committee was updated on the progress of our September MOD Workdays. The areas where Juniper has been removed have been replanted, with the exception of part of Saklan Indian Entry 10, which was delayed by construction materials.

Most of the other requests were completed. Terra has been contacted about helping to complete this year's requests, and this should, or will, have, happened. There were some unplanned items that required more time. These included the building of a rock wall and filling in a large gap to stabilize a hillside between Entries 2 and 9, and the replacement of all the hedge shrubs behind building 735 Terra California in Entry 9. This was done for fire danger and to stabilize a hillside. In addition, two large Palm Trees were removed. This work is all included in our agreement with MOD and done at no charge. The plant/tree cost was \$1,335.

Shari led a discussion about the uses of the Resident Request Forms. It was agreed that they were



Walnut Creek Mutual Forty

successful and, after she makes a few adjustments, they will be distributed again in January.

Rats continue to be a problem and an increased expense for the Mutual. The Entry Reps were encouraged to discuss this with their neighbors to help them understand the need to get rid of beloved birdbaths, fountains, etc. This is especially a problem in lower 40.

We agreed upon a focus for 2024. This includes the development of a meeting area in Entry 2, and grass reduction for the hillside on Saklan Indian between Entries 6 and 8. Shari Carroll will lead the grass reduction team and Fred Kerns and Rod Walker have volunteered to help.

If possible, we will determine other potential sites for grass future reduction and rehab.

The meeting was concluded at 5:15 and this will be the last meeting for the year.

Governing Documents Committee:

Nancy Herney reported the following:

The last GDC meeting was Monday October 11.

Melissa Ward is still reviewing EV, Maintenance and User Restrictions (Part 1) they can be sent for resident comment when the legal review is complete.

The following rules are in draft form and will be ready for legal and Board review at the next Board meeting:

- Table of Contents/Introduction
- Part 2 of Use Restrictions
- Exterior Painting (will be included with Maintenance)
- Mutual Administration.

There are approximately 8 remaining rules to complete the Operating Rules.

Building Maintenance Committee:

No report.

Alteration/Architectural Review Committee:

No report.

Emergency Preparedness Committee:

Kathy Parish gave the following report:

Attendees: Kathy Parish, Nancy Herney, Christine Hagelin, Eileen Levin, Kay Doyle, Pat Shanahan, Jane Moran-guest Joy Danzig

ENTRY UPDATES: Several Coordinators have noted new neighbors in their entries. Efforts are made to make contact and provide them with Mutual 40 EPO welcome packets. In some cases, homes are



Walnut Creek Mutual Forty

purchased, but neighbors have not moved in. Entry 2 and 9 have had recent events.

ROSSMOOR EPO LIAISON: No one volunteered to serve.

NEW NEIGHBOR WELCOME PACKETS: Only addition to Welcome Packet was June 22 ,2023 list of resources provided by Kathy.

It was agreed the Rossmoor Residents Guide to Wildfire Preparedness and Evacuation, coupled with information on the EPO website and Rossmoor News provides ample information for all residents. Continuing efforts to remind residents of available resources and information will be encouraged. Additional booklets can be distributed at social gatherings as well. Group email blasts from entry coordinators with updates will help keep the topic in residents minds.

GENERAL DISCUSSION: The committee agreed that we have met our goals for the year. The Go Bag presentations, and the two Fire Prevention meetings were a success. Discussion also included review of CORE books and CERT role, vs. role of Entry Coordinators. Our Mission Statement clarifies our role which emphasizes that residents are their own during an emergency, and that no one will be responsible for providing rescue type support. We help and encourage residents to be fully prepared.

GOALS FOR NEXT YEAR: Focus for next year will be Shelter in place, and possibly looking at other types of disasters like water, outdoor bar-b-cue dangers, storage of flammables, etc. Efforts will continue to updates residents to provide emergency contact information.

The Rossmoor EPO Fair will be this Saturday, Oct 28th from 9:30am-1pm in the Fireside Room.

Also – November 6th there will be an EPO program on Fire Safety and Survival. It will be the same program we hosted for our Mutual. Please try to attend – always good to be reminded on this important information.

Recycling and Green Committee:

Stan Wells gave the following report:

Madam President, hardworking distinguished board members, Honored and supportive Mutual Operations Guests and fellow Mutual 40 members.

I am pleased to report that Mutual's year to date trash costs remain favorable to budget through the month of September.

We successfully had all compost cans cleaned this past week.

While we would like to have the landfill containers cleaned next, we first intend to determine if we can reduce the number of these containers. A study will be made in November to determine what changes can be made that will not create problems for our residents.



Walnut Creek Mutual Forty

There are 43 landfill containers dispersed among the 19 trash sheds in Mutual 40 and our monthly cost for Republic servicing these is \$3,563 or \$42,750 per year. Considering we possibly face a 10% cost increase in the coming year, any reduction we can make could result in significant savings!

The only real way to reduce our landfill waste is to continue to expand our recycling activity. We plan to aggressively promote recycling among our residents during the coming year with advertising among other activities.

Old Business

No old business.

New Business

1. Vote to Adopt Latest Operating Rules (Dispute Resolution and Alterations):

Ms. Herney made a motion for the Board to adopt the Dispute Resolution and Owner-Initiated Alterations policies. Mr. Westendorf seconded the motion, and it was **approved 4-0**

2. 2024 Budget:

Mr. Westendorf made a presentation on the proposed operating and reserve budgets for 2024.

He first described the budget process, which included development of the proposed budgets in collaboration with MOD (including Bud Baxter, Clayton Clarke, John Tawaststjerna and Jeroen Wright), and the chairs of relevant committees (including Building and Maintenance, Landscaping, and Trash/Recycling). The draft budgets were then reviewed and discussed by the Finance Committee at its meeting last week, again with input from MOD staff. The final step is review and discussion by the board at today's meeting, and approval of final budgets.

Mr. Westendorf took the board through a line-by-line description of the proposed operating and reserve budgets, explaining how each projected income and expense figure was determined. The board members (and some members in attendance) asked various questions, which were answered by Mr. Westendorf, Clayton Clark and Bud Baxter.

He explained that the resulting regular monthly assessment ("coupon") for 2024 would be \$1,200, consisting of the following three components: \$660 for budgeted mutual operating expenses, \$335 for the GRF fee and \$205 for additions to our reserve "savings" account. This represents an overall increase of \$148 over the weighted average coupon for Projects 40 and 41 in 2023 (\$1,052). This \$148 increase results from projected increases in the following expenses:

\$123 - insurance (60% increase in our property insurance and 15% increase in other insurance)

\$11 - utilities (water, trash, recycling, PGE- mostly agency rate increases)

\$3 - GRF fee (+1.5%), MOD fee (+5%), and other miscellaneous operating expenses

\$11 - increase in reserve assessment



Walnut Creek Mutual Forty

With respect to the proposed monthly reserve assessment, Mr. Westendorf discussed the rationale for the proposed \$205 amount, including a discussion of the draft Helsing reserve study report just received this morning, the history of declining reserve assessments over the past several years in our mutual, escalating construction costs, information on monthly reserve assessments of other Rossmoor mutuals, and a 5-year projection of our reserve income and expenses. He also discussed the importance of maintaining healthy reserves, including (i) assuring that we have enough money to pay for future rehab, landscaping and other expenses, (ii) reducing the need for special assessments, (iii) having sufficient cash to allow short-term transfers to the operating account to pay the annual lump sum property insurance premiums that are due early each year, and (iv) continuing to receive a favorable funding opinion from Helsing which supports favorable resale values for our condos.

After discussion, Susie White moved that the proposed operating and reserve budgets for 2024 be approved, resulting in a monthly coupon of \$1,200, subject only to final confirmation by the Treasurer that the proposed reserve assessment will in fact be sufficient to obtain a favorable reserve funding opinion from The Helsing Group. This motion was seconded and approved 4-0.

The board then discussed how to distribute the annual budget booklet (including other annual disclosures) to members. After discussion, a motion was made to print and mail the booklet to all members again this year, subject to a further discussion with our attorney. This motion was seconded and approved 4-0. The board at its next meeting in November will discuss further whether to also send the budget booklet by email to those members who have consented to the use of email. The board also discussed following up with MOD Member Records on the status of the recent requests sent to members for updated notice delivery preferences.

Managers' Report

No report was given.

Member's Forum:

Weather stripping on doors: responsibility of the Owner to replace.

Executive Session Summary

The Board met in executive session from 2:30 pm to 3:30 pm to discuss the following:

1. Member Matters – Plumbing Issues
2. Member Matters – Alteration Issues

Announcements

The next scheduled Board meeting will be on November 16th, 2023, at 1 pm, in the Fairway Room at the Creekside Clubhouse.



Walnut Creek Mutual Forty

Adjournment

With no further business, the meeting was adjourned at 2:36 p.m.

Lucy Limon

Assistant Secretary

Walnut Creek Mutual No. Forty