

MINUTES
WALNUT CREEK MUTUAL NO. FIFTY-SIX

THIRTY-FIRST ANNUAL MEETING OF THE MEMBERS
WEDNESDAY, OCTOBER 21, 2020 AT 9:30 A.M.
ZOOM

The Thirty-First Annual Meeting of Members was convened by President Robert Ward, on Wednesday, October 21, 2020 at 9:30 a.m. via ZOOM.

ROLL CALL: PRESENT: Robert Ward – President
Karen Tarkoff – Vice President
Gini Voelkel – Treasurer/Secretary

EXCUSED: None

Representing Mutual Operations Division were Paul Donner, Director of Mutual Operations; Rick Chakoff, Chief Operating Officer; Rick West, Building Maintenance Supervisor; Rebecca Pollon, Landscape Manager, and Anne Paone Administrative Secretary.

Jo Ann Cooper attended to help with the presentation of the proposed 2021 budget.

Assistant Secretary Anne Paone verified that a quorum was present with 16 of the 37 households represented in person. The presence of 13 households was required to establish a quorum.

CERTIFICATION OF NOTICE OF MEETING

Assistant Secretary Anne Paone certified that notice of the annual membership meeting was published in the *Rossmoor News* on October 7 and 14, 2020, and a copy of the notice was sent to all members of record on September 30, 2020, in accordance with Article 4, Section 4.3, of the Bylaws of said corporation.

Mr. Ward advised that the minutes of the Thirtieth Annual Meeting of Members and the Organizational Meeting held on October 16, 2019 were read and found to be accurate by the Board of Directors. Accordingly,

a motion was made, seconded, and carried to approve the minutes of the Thirtieth Annual and Organizational Meetings held on October 16, 2019 as written and reviewed.

RESULTS OF TABULATION MEETING – August 31, 2020

Ms. Paone reported the results of voting for the CC&Rs.

Total ballots received:	30	
For:	29	
Against:	0	
Quorum for CC&Rs:	19	PASSED

Ms. Paone reported the results of voting for the Bylaws.

Total ballots received:	30	
For:	30	
Against:	0	
Quorum for Bylaws:	7	PASSED

Robert Crist was the Inspector of Elections and verified the results.

OFFICERS' REPORTS

President: Mr. Ward reported on Mutual Fifty-Six as follows:

2020 Accomplishments

1. We have been slowly rehabbing the front lawns for several years and we are implementing another large increment of Phase 2 in 2020.
2. Tree maintenance was deferred for three years when we did our major building rehab but after a small increment already approved for this year, we should be all caught up.
3. The street lights were refinished and refurbished and the new LED lights will help us a little bit with our PG&E bills.
4. Patti and Rick worked with our MOD carpentry supervisor Luis Duenas to prioritize fence, arbor, and gate repairs within our budget constraints.
 - a) Highest priority is safety with gates being the most likely problem.
 - b) We did adjust our priorities over time to provide a good response to people who were moving or to coordinate with owner planned upgrades to their patio area.
5. We passed a major milestone this year with our governing document update.
 - a) CC&Rs and Bylaws were distributed to all owners and Bylaws posted on our website and the CC&Rs to follow shortly.
 - b) And a draft updated Policies has been submitted to Legal for their proposal for a cost to review and edit the update.

2021 Budget Planning Key Assumptions

1. We are in good shape financially and had hoped to maintain our coupon increase to be more or less in line with a planning inflation rate of around 3%.
 - a) Unfortunately, world-wide disasters and our catastrophic fire season resulted in a drastic increase in our property insurance premiums and we ended up with a planned 7.7% increase in our coupon.
 - b) Paul Donner will provide much more detail on our 2021 budget in his presentation.
2. Landscape rehabilitation remains a near-term priority.
 - a) We need to finish the street view rehab.
 - b) In addition to maintaining an acceptable level of landscape aesthetics, we expect to somewhat reduce our water and

- a) Replace will require planning and will be expensive enough to require a rigorous process for adoption.

2021 Reserve Plans (Cont'd)

1. There is no money in the 2020 or 2021 budgets for a pond solar power system but this is an initiative that is being pursued.
 - a) This seems worth pursuing because the total electric power cost for 2019 was \$23,737 and most of that was for pond pumps and lighting.
 - b) This possibility was pursued a couple of years ago but was abandoned due to lack of suitable space.
 - c) Because the pond connection points are distributed to three points, I believe it may be possible to use space on our roofs to implement a pond solar power system.
2. A technical feasibility study is underway with Solar Technologies.
 - a) These are the same people who have installed a large portion (if not all) the solar power systems in Rossmoor
 - b) We did have a Zoom meeting with a Solar Technologies rep last month to discuss possible individual solar power systems.
3. If it looks technically feasible, we will look at some financing alternatives
4. If we establish technical and financial feasibility, we will make a recommendation to the board to start a formal acquisition process that includes all the steps outlined in my chart.

Vice President: No report

Treasurer: Ms. Voelkel reported that at the end of September, the operating fund had a balance of \$50,036. The reserve fund had a balance of \$219,793. There is about \$67,000 to be spent in landscaping, which will be charged before the end of the year for the next large increment of Phase II landscape rehab that is currently underway.

REPORTS OF COMMITTEES

Building Maintenance – Mr. West reported as follows:

INFORMATION ITEMS: 2020 Work Scheduled, In Progress or Completed

1. MOD is in the progress of completing repairs and replacement on several Fences, Gates, and Trellis's. A Total of 12 Buildings are on the list for this scheduled work.
2. MOD also repainted the Lakeshire entry signs and replaced the Recycled Water signs at the ponds.
3. Sang Electric installed your new LED light fixtures on your 24 streetlamp posts.
4. ALP Construction also repainted your 24 streetlamp posts this year.

Kingsway completed the termite treatment on Buildings 1914 and 1918 Lakeshire this year. Mr. West reviewed the 10-year plan of expected Reserve expenditures vs revenues. The large expenses will be arbors and fences, depending on the Board's course-of-action

regarding repairs vs replacement. Mr. West showed that the Mutual expects to accommodate planned expenditures with planned revenues with the exception of two projected near-term years with year-end balances of a little less than the baseline minimum of \$100,000. The budget will be adjusted next year to correct this.

Landscape – Ms. Pollon simply thanked everyone for a good year despite the challenges of COVID.

Emergency Preparedness – Mr. Samuels reported that EPO is a good committee. There is nothing to report right now. It is difficult for many residents not being face-to-face. He will go around to the units to see if everyone is prepared.

Ponds – Mr. Ward reported that the ponds seem to be in good shape. The pumps are working.

Social – Mr. Ward reported that Ms. Egdal has moved to San Francisco. She is happy there. Nancy Ward is the chair. Right now, there are no plans for a Christmas social.

PRESENTATION OF 2021 BUDGET

Paul Donner provided a fairly in-depth review of our 2021 budget and resulting coupon. The key point is that as a result of world events including the wildfires in California and recent Rossmoor losses, our insurance costs show a total per manor per month increase of \$65.23 or 72.1% from the 2020 to the 2021 budget. This coupled with adjustments made to our working capital to ensure funds for the next insurance payment (full year due and payable on January 1) accounts for the majority of our coupon increase in 2021 of \$96 or 7.7%. MOD recommends keeping at least 2 months' worth of operating expenses or the insurance Premium amount in Working Capital. The total coupon amount per manor per month will be \$1,347.00.

RESIDENTS' FORUM

Resident stated that she is concerned about the increases and projects. She would like to see them prioritized by expense and not be done at the same time.

Resident asked if any people are putting solar panels on their roof. Mr. Ward replied that he and Nancy are interested. He reminded everyone to go through the Alterations Department. The next owner will be responsible for them.

NEW BUSINESS

Election Results: Anne Paone reported the following:

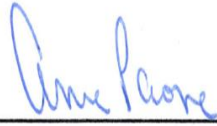
I, Anne Paone, Assistant Secretary of WALNUT CREEK MUTUAL FIFTY-SIX (Lakeshire), do hereby declare that Karen Tarkoff was the only candidate to come forward by the deadline of August 17, 2020. She was elected by acclamation and will serve for a three-year term.

ANNOUNCEMENTS

The next regular meeting of the Board of Directors is scheduled for Wednesday, January 20, 2021 at 9:30 a.m. in the Board Room in Gateway complex or via Zoom.

ADJOURNMENT

Having no further business, the Thirty-First Annual Meeting of Members adjourned at 10:17 a.m. to an organizational meeting.



Anne Paone, Assistant Secretary
Walnut Creek Mutual Fifty-Six