

MINUTES  
WALNUT CREEK MUTUAL NO. FIFTY-SIX

TWENTY-FIFTH ANNUAL MEETING OF THE MEMBERS  
WEDNESDAY, OCTOBER 15, 2014 AT 9:30 A.M.  
VISTA ROOM AT HILLSIDE CLUBHOUSE

The Twenty-Fifth Annual Meeting of Members was convened by President Claudia Edwards, on Wednesday, October 15, 2014 at 9:30 a.m. in the Vista Room at Hillside Clubhouse, 3400 Golden Rain Road, Rossmoor, Walnut Creek, California.

ROLL CALL: PRESENT: Claudia Edwards – President  
Bill Eames – Vice President  
Susie Crist – Treasurer/Secretary

EXCUSED: None

Representing Mutual Operations Division were Paul Donner, Director of Mutual Operations; Rick West, Building Maintenance Supervisor; Rich Perona, Landscape Manager; and Anne Paone Administrative Secretary.

Ms. Edwards introduced the Board, volunteers, and staff, and welcomed the 18 residents in attendance.

Assistant Secretary Anne Paone verified that a quorum was present with 18 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 meeting was published in the *Rossmoor News* on October 1, and October 8, and a notice was mailed to all members of record on October 3, 2014, in accordance with Article 4, Section 4.3 of the Bylaws of the corporation.

Ms. Edwards advised that the minutes of the Twenty-Fourth Annual Meeting of Members held on October 16, 2013 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 Twenty-Fourth Annual Meeting held October 16, 2013 as written and reviewed.

The regular quarterly meeting minutes were reviewed. Accordingly,

a motion was made, seconded, and carried to approve the minutes of the regular quarter meeting minutes of July 16, 2014 as written and reviewed.

## FINANCIAL REPORT

This was discussed as part of the budget.

## PRESENTATION OF 2015 BUDGET

Mr. Donner reviewed the proposed budget for 2015. There will be an increase of \$158, which is an increase of 20%. That is the maximum increase that the civil code allows without approval of the membership. The decision was made to use this as a starting point. They decided to do this instead of having a special assessment. He explained that the budget was up in the MOD management fee by \$.03. The Building Works will have an increase of \$1.07. This is based on the prior year, the current year and factoring in a forecast. Landscaping will see an increase of \$1.92. Insurance will increase by \$3.18. The insurance gets placed at the end of the year, so the amount is based on the best forecast. Trash and recycling are up, but utilities are down. This is due to the reduction of water usage. This is decreased by \$15.45. The total operating expenses are down by \$8.20. The real issues are problems with the fund balances. We are trying to keep reserves and operating funds at a level where we would like to see them. There will be an increase in working capital of \$6.59 per manor per month. The reserves amount will go from \$60.58 to \$225.58. There are a lot of things to do in the Mutual, so there would have to be either an increase in the coupon or a special assessment. This increase will build up the funds so the Mutual can do some of the larger projects. The GRF increase will be \$.58. The cable increase will be \$1.03. Combining the Mutual increase of \$156.39 with the total GRF and cable increase of \$1.61 brings the coupon increase to \$158.00.

The total amount for the 2015 coupon will be \$948.00.

Ms. Crist motioned to approve the 2015 budget as presented with the coupon amount increasing to \$948.00. Mr. Eames seconded and the motion carried without dissent.

Mr. Chakoff reported that the bank fees are up at Mechanics Bank. He recommends changing from Mechanics Bank to City National Bank. They will have lower fees and possibly, in the future, no fees. They also have a local presence.

Mr. Eames motioned to change the accounts from Mechanics Bank to City National Bank. Ms. Crist seconded and the motion carried without dissent.

Mr. Eames and Mr. Chakoff suggested using electronic payment for the coupon. As long as there is money in the bank to cover the payment, there will never be a late fee.

## LANDSCAPE REPORT – Rich Perona

Mr. Perona reported the following:

**LAWN MAINTENANCE:** Lawns will be fertilized the first of November with Turf Supreme, a balanced fertilizer. Irrigation systems are tested and adjusted monthly per contract with Valley Crest Landscape. Report any problems to the order desk at MOD. Valley Crest will be responsible for the irrigation.

**ENTRY MAINTENANCE:** Entry maintenance crews are on routine pruning schedules, spot spraying weeds and debris clean up.

**TREE MAINTENANCE:** Seven Raywood Ash trees were recently removed and three more were approved by the City. Three were denied which we are appealing. Once all the trees have been removed, Bob Crist, Curtis Kaul and Rich Perona will walk the area to decide where to plant new trees and which tree species to use.

**LANDSCAPE REHAB:** Landscape rehab work is in progress at 1907 & 1908 Lakeshire Drive. Annual color beds are currently being replaced with winter color. Valley Crest is doing the work.

## BUILDING REPORT – Rick West

1. All Clear scheduled to begin gutter cleaning in November estimated cost \$2,100
2. 1900 Lakeshire ventilation system under the foundation. There were moisture issues under the foundation – CER hired to complete system install. Engineer was hired to configure better duct routing solutions between rooms
3. Proposed 2015 building Maintenance: power washing and replacement of dry rot wood on Arbors.

Mr. West will send a start date for the gutter cleaning to Ms. Crist.

## REPORTS OF COMMITTEES

Building Maintenance – Mr. Christensen reported that he checks the lights and replaces any necessary bulbs. He also checks the fences. If they are wobbly or have a problem, he calls in a work order for them.

Landscape – Mr. Crist reported that the lawns are turning brown due to the water shortage. Every month they walk with Valley Crest. The turf replacement has been placed on hold. 1907 and 1908 Lakeshire will have some areas replaced with front gardens. The irrigation systems will be changed to be more efficient. Several large trees have been removed in the last two weeks because they made it difficult to put in turf. The 2015 plans are

on hold until the Mutual knows the situation with the water.

Ponds – Ms. Edwards reported on the ponds. She reported that the ponds are 20 years old. It will cost \$30,000 to give them the attention they need. There are electrical problems, ventilation issues and they need new time clocks. The breakers and panel need to be replaced. The vaults need to be rewired. The hinges need to be replaced. The equipment needs to be cleaned to protect it from rust. Some lights need to be replaced. The ponds need a lot of attention, but once the work is done, they should not require any major repairs.

Emergency Preparedness – No report.

Social – Shirley Bolton reported that the holiday social is scheduled for Monday, December 8 at Dollar Clubhouse. Invitations will be sent out about November 1, 2014.

## OFFICERS' REPORTS

Ms. Edwards reported that the Board has been working hard to make plans for projects next year.

A resident stood up and thanked the Board for all of their hard work.

Mr. Eames had no additional report.

Ms. Crist reported that everyone should have received the newsletter. The Board gets a lot of questions regarding responsibility for repairs. On the back of the newsletter, there is a sheet indicating what the Mutual is responsible for vs the resident responsibility. A resident roster is also included. Ms. Crist would like to send the newsletter via email. She requested everyone send her their address if they are interested. She welcomed any suggestions for articles or actual articles. She advised the membership that there is a website called Nextdoor.com where they can ask questions about contractors and receive information that will save them the time and effort of researching on their own. They can see what people locally have to say about their experiences with the contractors.

## ELECTION OF DIRECTOR

Claudia Edwards was re-elected by acclamation to serve a three-year term, pursuant to Article 6, Section 6.3 of the Bylaws.

## UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

RESIDENTS' FORUM

None

ANNOUNCEMENTS

The next regular meeting of the Board of Directors is scheduled for Wednesday, January 21, 2015 at 9:30 a.m. in the Board Room in Gateway complex.

Ms. Edwards thanked the members for attending the annual meeting.

ADJOURNMENT

Having no further business, the Twenty-Fifth Annual Meeting of Members adjourned at 10:30 a.m. to an organizational meeting.

/s/

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Susie Crist, Secretary  
Walnut Creek Mutual No. Fifty-Six