

MINUTES

WALNUT CREEK MUTUAL SIXTY-FIVE (DEVONSHIRE)
TWENTY-SECOND ANNUAL MEETING OF THE MEMBERSHIP
TUESDAY, APRIL 19, 2016 AT 9:30 A.M.
DONNER ROOM, EVENT CENTER, WALNUT CREEK

President Charles Coburn called to order the Twenty-Second Annual Meeting of the Membership of WALNUT CREEK MUTUAL SIXTY-FIVE at 9:30 a.m. on Tuesday, April 19, 2016 in the Donner Room, Event Center, 1021 Stanley Dollar Drive, Walnut Creek, California.

PRESENT: Charles Coburn, President
Richard Walsh, First Vice President
Tom Harrick, Second Vice President
Tom Lenz, Treasurer
Durwin Shepson, Secretary

EXCUSED: None

Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Rich Perona, Landscape Manager; Rebecca Pollon, Landscape Manager; Rick West, Building Maintenance Manager; and Ann Paone, Administrative Secretary.

VERIFICATION OF QUORUM – Durwin Shepson

Secretary Durwin Shepson verified that a quorum was reached with 18 households represented in person. (Fifteen households were needed for a quorum.)

CERTIFICATION OF NOTICE OF MEETING – Anne Paone

Assistant Secretary Anne Paone read the Certification of Notice of Members' Meeting certifying that a copy of the Notice of Members' Meeting was mailed in accordance with Article 5, Section 5.4 of the Bylaws of the Mutual corporation to all members of record as of March 21, 2016, and that notices appeared in the *Rossmoor News* on March 30, April 6, and April 13 in accordance with Article 5, Section 5.4, of the Bylaws of the corporation.

APPROVAL OF MINUTES

President Coburn asked if there were any additions or corrections to the minutes of the Annual Membership Meeting of April 21, 2015. Hearing none, he declared them approved as written and reviewed.

President Coburn asked if there were any additions or corrections to the minutes of the regular Board Meeting of January 19, 2016. Hearing none, he declared them approved as written and reviewed.

GUEST

Mr. Coburn welcomed the new CEO of the Golden Rain Foundation, Tim O'Keefe, to the meeting.

Mr. O'Keefe commented on the beauty of the Rossmoor community. He was impressed that it is such an active and vibrant community. He thanked the Board for their time and work on all of the Mutual issues.

PRESIDENT'S REPORT – Charles Coburn

President Coburn reported that the Mutual budget came in under what was anticipated. There is a brochure on the back table for residents with pertinent information about the Mutual.

Mr. Coburn reported that the Disaster Committee met and considered different ideas on what to do for the Mutual.

Mr. Coburn commended Mr. Harrick on the great job he did with landscaping and the drought that everyone faced.

The Board has authorized a smoke detector change to the ten-year type.

Some future issues to consider will be that the buildings are getting older and the Board may have to decide whether to replace the skylights.

There will be some street work that will need to be done. There are some issues with drainage at 1800-1802 Wales.

There will be a legal seminar for the Board to attend. The attorneys discuss new laws and various legal issues that Mutuals may face.

The Board will be addressing new policies for Solar and Electrical Vehicle Charging. There is one person that already has a charging station. Mr. West will confirm that it is legal.

FIRST VICE PRESIDENT'S REPORT – Dick Walsh

No report at this time.

SECOND VICE PRESIDENT'S REPORT – Tom Harrick

No report at this time.

SECRETARY'S REPORT – Durwin Shepson

No report at this time.

TREASURER'S REPORT – Tom Lenz

Mr. Lenz reported that the auditor indicates that the year-end financials are in conformity with accounting principles.

The replacement fund for the 2015 year-end was \$262,226 vs \$189,305 for the year-end of 2014.

The operating fund for December 31, 2015 was \$38,727 vs \$13,196 for the 2014 year-end.

The total fund balance for 2015 was \$300,953 vs \$202,501 for 2014. This is an increase of \$98,452.

The 2015 operating expenses of \$313,137 was \$17,423 under budget as building maintenance, landscape and utilities were under budget for the year.

The latest financial statement dated March 31, 2016 reflects operating fund balance of \$51,542 and replacement reserve of \$290,234 for a total fund balance of \$341,776 compared to the year-end total of \$300,953 for 2015.

Comparing the March 2015 operating funds to budget, Building and Public Works is \$4,775 over budget due to rain leaks. All other expense categories were under budget, so we have total expenses of \$12,815 under budget YTD.

YTD reserves are \$18,007 of revenue in excess of expense, but there are some potential large expenses, mainly asphalt on the streets and further landscape rehabilitation to consider.

Mr. Lenz reported that, in general, the Mutual is in fairly good financial shape.

Mr. Donner reported that MOD operates as not-for-profit. In 2015 there was a \$200,000 operating surplus. Pending approval by the GRF, approximately \$1,300 will be returned to the Mutual under other income on the operating statement.

MANAGER'S REPORT – Paul Donner and Rick West

Mr. West reported the following:

1. New ten year smoke detector installation. Sang Electric – Cost \$12,375.00. (Scheduled start date 4/4/16).
2. 1802 & 1804 Wales – Grading and underground drainage leak. AMAC putback estimates #1802 -\$2,515.00 / #1804 - \$1,516.50. Davis plumbing is currently working on clearing all drain lines.
3. 2016 Proposed asphalt project Budget \$30,000.
SVP - \$17,761.72 / DRYCO - \$18,193.00 / Calvac - \$23,584.91 (Need Board Approval).
4. Skylight replacement – 1707 Comstock & 1802 Wales. / Mares & Dow Estimate \$5,587.34. AMAC Estimate \$7,800.00.
5. #1807 wales – Rain leak water stain at bedroom ceiling.
(Complete).

Mr. West reported that the sign was installed at the end of Castleberry –

“No Parking at Any Time.”

BUILDING MAINTENANCE COMMITTEE – Durwin Shepson, Chair

Mr. Shepson reported that the ten-year smoke detectors have been installed in all units, except where occupants have not been home.

Mr. West received three slurry bids. Silicon Valley was substantially lower than the original guess of \$30,000. The work will be done in early summer. They will be doing other jobs in Rossmoor and can therefore offer a lower bid.

Mr. Shepson moved to approve the paving contract from Silicon Valley Paving in the amount of \$17,762 for Wales, Castleberry, and Comstock. Mr. Walsh seconded and the motion carried without dissent.

There will be some considerations such as vehicles should not drive over the treated areas for 24 hours. To allow access, only one side of each street will be done at a time. Based on discussions with residents, there does not seem to be a great desire for a Devonshire sign. Mutual Sixty-Five is really part of the Lakeshire development. If the Mutual wants to show itself as a separate identity, changing the street names to Devonshire would have more of an impact. That would be impractical due to leaf notifications and address changes, etc.

The Mutual could use a small wooden sand blasted lawn sign like those used at the Fitness Center. A suggested site would be on our side of the lake area in front of the electrical box near the sidewalk. The recommendation is to get a feel for resident opinions.

Water damage was experienced at 1802 and 1804 Wales Dr. during the last major storm. This was caused by leaf build ups between the roof flashing and roof tile areas. Additionally, the roof and underground drainage lines were root clogged and broken exacerbating the flooding problem to 1802 Wales. The roofing problem has been repaired, but the interior wall rebuild, new insulation, texturing, repainting, carpet replacement and underground drainage solutions are still in process.

The middle units of each triplex are beginning to have skylight leakage. This is a common problem of skylight units as they approach 20 years. The cost is about \$2,500 each. The current skylights no longer meet building code standards. This item is not in the budget. If replaced at one time, the estimated cost would be approximately \$45,000-\$55,000. The Board agreed that some more research needs to be done. The Mutual could stagger repairs, but some action will need to be taken.

Mr. Donner reported that the skylights are a Mutual component and should be a reserve item. The Mutual should get a price to replace them and notify Helsing to add this to the reserve study. This can be done for the 2017 budget.

Mr. Shepson moved to approve the proposal from Mares and Dow Construction for 1707 Comstock in the amount of \$2,737.42 for the skylights. Mr. Walsh seconded and the motion carried without dissent.

Mr. Shepson moved to approve the proposal from Mares and Dow Construction for 1802 Wales in the amount of \$2,849.92 for the skylights. Mr. Walsh seconded and the motion carried without dissent.

The Board will delay all others until they have more information.

EMERGENCY PREPAREDNESS COMMITTEE – Paul and Patricia Holland Co-Chairs

Mr. Coburn reported for the Hollands. The Board decided to leave the supply of water up to individual owners. The committee recommended that the current smoke detectors should be replaced with the 10-year type.

Mr. Shepson reported that if you sell your home or need to pull a permit, the City will require the new smoke detectors.

LANDSCAPE COMMITTEE – Sheri Lenz, Chair and Rich Perona

Mr. Perona reported the following:

LAWN MAINTENANCE: Lawns will be fertilized in the first half of May. Lawns are in the process of being treated for broadleaf weeds.

Irrigation controllers are back on.

ENTRY MAINTENANCE: Entry maintenance crews are working on leaf clean up, spot spraying weeds and pruning various shrubs.

TREE MAINTENANCE: I will set up a walk with the Mutual's landscape representative to look at tree pruning.

LANDSCAPE REHAB: Rehab work is scheduled for mid-May, again, the landscape rep and I will walk the Mutual to plan out work.

Rebecca Pollon introduced herself to the membership. She is happy to be working at Rossmoor.

Sheri Lenz reported that she met with Ms. Pollon and is discussing plantings for the Mutual.

Pam Walsh presented a gift from the Mutual to Mr. Perona because he will be retiring next month.

DROUGHT REPLACEMENT COMMITTEE – Tom Harrick

Mr. Harrick reported that in 2015, the Mutual spent approximately \$15,000. They obtained a rebate from EBMUD of \$1,200 as a reduction in the water bill. The Mutual budgeted \$15,000 for 2016. On April 15, the committee visited the properties along with Mr. Perona and Ms. Pollon. Some observations were that not everyone likes the stones, but one resident stated, "I would rather look out at stones than dead grass".

Some of the original plantings have died and will be replaced. We are still living with drought conditions, so weekly watering is limited. Additional plantings will improve the

appearance. Existing lawns will continue to be stressed because the trees are competing for the available water.

Only one property, 1700 Comstock, is scheduled for modification at this time. Ms. Pollon will follow-up. Any other changes will be considered in the future.

SOCIAL COMMITTEE – Pamela Walsh, Chair

Ms. Walsh reported that there is a print out on the table of upcoming events.

RESULTS OF ELECTION

Ms. Paone read the election results certifying that Tom Harrick and Durwin Shepson were elected by acclamation of the membership for a two-year term on the Board.

UNFINISHED BUSINESS

None

NEW BUSINESS

Mr. Shepson moved to approve spending \$875 for the attorney to compose a policy for Electric Vehicle Charging. Mr. Lenz seconded and the motion carried without dissent.

RESIDENTS' FORUM

A resident reported that the front entry landscaping is not trimmed. Routine maintenance is not being done. Mr. Donner advised the resident to call the work order desk as soon as he notices any problems.

ANNOUNCEMENT

The next quarterly meeting of the Board will be held on Tuesday, July 20, 2016 at 9:30 a.m. in the Donner Room at the Event Center.

ADJOURNMENT

Having no further business, the meeting adjourned at 10:45 a.m. to an organizational meeting to elect officers.

/s/ _____
Anne Paone, Assistant Secretary
Walnut Creek Mutual No. Sixty-Five