

WALNUT CREEK MUTUAL SEVENTY
MINUTES
TENTH ANNUAL MEETING OF THE MEMBERSHIP
FRIDAY, JUNE 18, 2021
ZOOM

OPENING

President Alley opened the meeting at 10:00 a.m. and welcomed everyone to the Tenth Annual Meeting of the Membership.

Ms. Alley reported that the agenda included reports from Board members and GRF staff that would provide members with a review of what has been accomplished during the last year, where we are now and what we are looking at for the future. You recently received two mailings from the Board with updates. The semi-annual update and a mailing with revisions to two policies.

We look forward to hearing from residents with question or comments later on the agenda, during the Members Forum.

INTRODUCTIONS:

Ms. Alley introduced herself and then made introductions as follows: Board members include Roger Svoboda, Jeff Cheung, Dennis Johnsen, and Wally Brohaugh. Mr. Brohaugh was appointed to the Board to replace the retiring member, Herb Salomon. You will hear from each of them during Committee reports. The Board has relied on the GRF staff to provide support and advice. Their experience and availability to help us make decisions about how to spend out money has been invaluable.

Paul Donner – Director of Mutual Operations is excused.

Rick West – Building Maintenance Manager

Steve Ormond – Landscape Supervisor

Anne Paone – Board Secretary

Thank you to all of the folks at MOD and administration for all of their assistance with Mutual business.

PROOF OF NOTICE OF MEETING

Ms. Paone certified that notice of the tenth annual membership meeting appeared in the *Rossmoor News* on February 17 and 24 and March 3, 2021. A notice was mailed on May 27th, 2021 by first class mail to each membership household in accordance with Section 4.4(a) of the Bylaws of Walnut Creek Mutual Seventy.

COMMITTEE REPORTS:

BUILDING COMMITTEE REPORT

INFORMATIONAL ITEMS: Work scheduled, In Progress or Completed

1. 2021 Phase I Building Dry Rot repair work. Contractor: MOD.
Estimated Cost \$14,766.00.
Additional cost from discovering additional dry rot may lead to change orders.
(This project was completed in May of this year).
2. 2021 Phase I Building Painting - This will include 9 buildings, 3 carports and 3 trash enclosures.
This Project was awarded to Pacific Trim. Cost \$165,305.00
(This Project started in May of this year).
3. 3852 TG 1A Excel Waterproof Deck Coating Contractor: GBG
Estimated Cost \$3,297.56.
(Work is schedule for the end of June).
4. 1289 AS 2B Front Entry and Back Deck Repairs and Excel Coating .
Contractor: AMAC
Total estimated cost \$15,440.00.
(This Project started in May of this year).
5. 1281 AS 2B Deck Coating – Due to negative slope causing water to puddle and flow toward sliding glass door.
Project will include Excel water proofing coating. Contractor: AMAC.
Estimated Cost \$12,070.00
(Work is currently in progress).
6. 3761 TG 1A / 1B – Deck Coating and Repairs. Contractor: A-One Construction -
Estimate 1A Total cost \$19,774.00. // 1B Total to date \$36,747.00
(This Project was completed in May of this year).
7. 3330 TG Building Breezeway Beam/ Column Dry Rot repairs and Tongue & Groove Board replacement - Contractor: AMAC.
Total Cost \$64,515.00.
This project was completed in March of this year).
8. 3330 TG Building - Excel Waterproof Fire System Breezeway coating.
Contractor: A-One Construction Cost \$31,645.00.
(This project was completed in April of this year).
9. 3330 TG Elevator – Otis Elevator realigned the rails by installing a new rail bracket. The guide rails hold the elevator straight and contribute to ride quality.
Cost \$20,582.00.
(This project was completed in May of this year).

10. 3316 TG 1A Window leak and Termite Treatment. Custom Exterior completed water intrusion work.
Kingsway Termite Co. also inspected the unit and completed Termite Treatment and carpentry repairs.
Additional prolonged exterior dry rot was discovered and will be billed to the mutual.

Total Estimate to date \$15,585.00.

(Building painting has been completed. Currently waiting for Civil Engineering report on Foundation).
11. Garage Door Replacement - Contractor: B & C Garage Doors. Installation of last remaining 7 doors in Entry 2.
Cost \$8,245.00. Budget to complete this project \$60,000.00.
(This Project was completed in June of this year).
12. Senate Bill SB326 - Structural Engineers inspection of elevated mutual components –
Contractor: FWC - The project will be completed in 4 phases over 4 years.
Contract does not include destructive testing or put back costs. To be completed by others

Phase I Map sent to the BOD for review.

Total Cost \$121,989.00.

(FWC Started this project on June 7th this year).

LANDSCAPE COMMITTEE REPORT

Mr. Johnsen read his report as follow:

Mutual 70 has benefitted over the course of the last year with a very active landscaping committee presided over by TG entry 5 resident Paula Krauss. In addition to Paula the committee's entry reps are Carolyn Walkling and Jim Drummond for TG entry 3, Jim Almerico for Entry 4, Herma Lichtenstein for TG Entry 5, Claire Rosenzweig for TG Entry 6; Eldon Rowe for TG Entry 7; and Carolyn Walkling for TG Entry 8. Polly Berenson has replaced long serving member Carole Geoghegan as the rep for AS Entry 2. Curtis Kaul supervises the routine work done under our landscape maintenance contract with Brightview. Curtis is a valued advisor to the committee. Finally, MOD's Steve Ormond, serves as an advisor to the committee and has, after almost a year and a half away from his job, has now returned. We, and MOD too, have sorely missed him and we're thankful to have him back. An additional word of thanks to Herma, now incoming mutual board president. Her enthusiasm, knowledge of landscape design, and computer and cartographic skills are much admired and appreciated. I recently got my first unsolicited compliment on how good our Mutual's landscaping is. I think Herma deserves a lot of the thanks for that.

There has been plenty to occupy the committee's attention. Probably the most pressing concern has been trying to reduce the danger of wildfires. In 2019, considerable attention and funding was directed towards removing the extensive growth of highly flammable stands of juniper shrubs that existed in many parts of the mutual, much of it directly

impinging on residential structures. The work was undertaken in consultation with the County's fire prevention authorities and government grant funding was obtained to help offset the approximately \$60,000 that this effort cost. That prevention work is continuing and, for this year, is focused primarily on removal of a number of Monterey and other pine trees that are approaching the end of their life span and that pose a fire hazard to nearby buildings. Fortunately, the effectiveness of these preventive measures has not yet been tested. We hope that they won't be in the hot and dry months ahead.

Rehabilitation of those areas where fire prevention work was carried out, and still remains to be, done is continuing. In addition to improving appearance, this has provided a good opportunity to introduce plantings that are more drought tolerant and better suited to the needs of our environment.

Attention is also being directed to meeting other parallel needs posed by the aging of our community and the other relentless effects of nature. Trees will continue to occupy much of our attention. Three of our iconic heritage oaks at entries 5, 7, and 8 are dying. The one overlooking Terra Granada below entry 5 could fall at any time on the roadway below and it probably should be removed soon for safety reasons. The growth of a modest number of large coastal redwoods, half a dozen or so, and mainly in entries 2 and 3, are threatening nearby residential foundations and blocking utility closet access. At least several of these trees may soon be removed, probably next year. Liquid amber trees that have been earlier planted in the atria of several of our multistory units are growing to be dangerously large. Also, the excessive growth of their root systems, which have the potential for causing nearby structural damage, will need to be removed soon. With the current drought promising to continue, irrigation is likely to become very limited. Helping to cope with this need, 8 new and modern irrigation controllers have been installed to serve separate parts of the mutual. Use of these remotely operated and programmable controllers will allow water to be distributed much more judiciously and economically. That should help make significant savings in water use possible.

Of concern as well are several other problems recognized as worthy of our attention. They are not so readily categorized as landscaping issues. There has been considerable deterioration of several access ways and steps to utility closets on downward slopes at the side of buildings. This poses a hazard for electrical utility, construction, and maintenance workers. Even possibly firefighters. These need to be either repaired or replaced. Also, wooden earth retaining barriers at several locations are deteriorating and need replacement. The long wooden retaining wall along the curve in the entry 8 roadway is a good example. Some building storm drains also have become clogged with plant debris and eroded soil and are non-functional. This can predispose to problems associated with dampness like termite infestations and wood rot. These matters are presently being surveyed and brought to the attention of MOD. Brightview has also been alerted to this need and some of the problem drains have been opened up and will be routinely checked. A similar problem involves the need to replace deteriorating building signage in the mutual. Some of this signage is actually missing completely. Beyond creating an inconvenience, this poses potential emergency response and safety problems. MOD has also recently begun to take care of the signage problem.

Perhaps as a result of Covid and the impact of social distancing, our attention was drawn this last year and a half to the possibility of creating several outside social gathering sites. There are some residents who favor this idea. Others are concerned with the possibility of the sites being a potential nuisance to nearby residents and yet another burden for an

already stressed budget to bear. Also, there do not appear to be a lot of good choices about where such sites might actually be located. For these reasons, the idea has lost some momentum. It is presently in a wait and see mode until there is a clearer broad expression of support and broader acceptance of the idea on the part of residents. Finally, a considerable amount of attention has been given to trying to improve the process for responding to resident's landscaping requests. For example, removing dead or dying plants, making new plantings, and trimming of bushes and trees. Submission to MOD and satisfactory completion of work orders has been problematic. Experience indicates that in such cases, it is best for residents to work through their entry reps when developing and submitting such work orders. The message is, residents should get to know their entry rep to get advice and help when such work orders are submitted, tracked, and acted on and to assure that they are consistent with the mutual's landscaping policy and satisfactorily completed.

Mr. Ormond reported that Mutual 70 has a wonderful landscape committee. Water is valuable. If you see anything such as a broken sprinkler, please call the work order desk. They will get an irrigation tech out. The in-house crew comes out to Mutual 70 at the end of December and they get a lot of work done.

Mutual 70 and Development of Community Solar Power

Facing up to climate change, limiting environmental degradation and pollution, and decreasing our reliance on the use of fossil fuels is certainly becoming much a more apparent need these days. One of the expressions of that is building interest in Mutual 70 with the possibility of our community converting entirely to the use of solar power. This offers some economies of scale and the promise of a more reliability. At least 22 Mutual 70 residents, have already made that conversion individually. Fortunately, Mutual 70 has a number of residents who have been active in this area supporting Sustainable Rossmoor and the actions toward this end being taken by several of our other mutuals. These residents come to us from solid careers in relevant engineering, public service, and law. They are capable and willing to provide us with good guidance in pursuing development of a mutual wide solar power resource. Al Davis is one of those people and he has agreed to say a few words, and maybe even answer a few questions, about what is happening on that front and where it might be leading.

GOVERNING DOCUMENTS COMMITTEE

First of all, I want to publicly acknowledge Jill's enormous contributions as President of the Mutual for the past 5 years. The amount of time and effort she has given to the administration of the Mutual can't be quantified.

And a special thanks to you Jill from all the Mutual 70 Board members whose jobs have been relatively easy because of your efforts and involvement in all the critical aspects of Mutual management. You have been primarily responsible for all of our success these past five years.

Within the past week, all residents will have received an announcement that two operating rules will be changed.

The first, Policy 17.0, entitled Harassment is being revised to expand the definition of Harassment and hopefully eliminate, by the use of examples, any ambiguity in the old

policy.

The second, Policy 8.0, is being revised because of the passage of Assembly Bill 3182. This new law prohibits the Mutual from limiting the renting or leasing of less than 25% of the units in the Mutual. That means, the Mutual must allow up to 43 of our 172 units to be rented or leased, basically non-owner occupied, at any one time. The Mutual will still be allowed to prohibit short-term leases of less than 30 days. So – still no Airbnbs or VRBOs. This new policy will also require us to modify our CC&Rs which currently prohibits subleasing and limits the duration and frequency of leases. The revisions will be minor but will still require 51% of the residents to approve of the changes. You can expect to receive notice of this effort in the coming months. This effort has significant expense for the Mutual even though it is simply being driven by changes in the law. For this reason, we will also present for resident approval a “nondiscretionary amendment” provision to the CC&Rs that will allow the Board to adopt rules without a member vote when we’re simply making revisions to comply with changes in statutory requirements.

FINANCE COMMITTEE

Mr. Cheung explained to the members what is in the operating fund vs the reserve fund. He reported that in 2020, they reversed the deficits in the operating fund and returned to a positive ending fund balance. In May 2021, the ending fund balance was \$151,288. Mr. Cheung explained the insurance increases from 2017 – 2021. The Mutual received a \$21,000 rebate from insurance commissions. In May, the reserve fund ending balance was \$1,270,819.

Mr. Cheung explained that the new law, SB326, means that elevated areas such as balconies, decks, stairs, and landings must be inspected. This will be done again in 9 years.

Mr. Cheung discussed the coupon and increases. The Board looks at the Helsing Report, yearly expenses, and any borrowing.

The challenge going forward is the increasing insurance expense. Ongoing mitigation of dry rot is an expense to be aware of and is being addressed as it comes up.

In closing, Mr. Cheung reported the negative trends have been reversed in the operating fund. The reserve fund is positive in terms of the adequacy of funding projects. Overall, the Mutual has strengthened its financial sustainability while planning for future large reserve fund projects.

ROSSMOOR SOLAR INITIATIVE

Mutual 70 and Development of Community Solar Power

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mutuals. These residents come to us from solid careers in relevant engineering, public service, and law. They are capable and willing to provide us with good guidance in pursuing development of a mutual wide solar power resource. Al Davis is one of those people and he has agreed to say a few words, and maybe even answer a few questions, about what is happening on that front and where it might be leading.

Mr. Davis reported that the new Board will make decisions. The Board has seen a description of what we hope to achieve. We hope to save money. The future of Rossmoor is important. PG&E prices are going up. They are increasingly unreliable. There is an aging infrastructure. Solar is no longer enough. We need to shift power to when we need it. Microgrids equal batteries. The microgrid works even if PG&E stops. The plan is structured to take small steps. They never ask for upfront money from residents. This can offset 20% of the power bill from day 1. Mr. Kirkpatrick stated that they are exploring some technical issues. They will work hard on this to bring it to the community.

MEMBERS' FORUM

Ms. Alley stated this is an opportunity for anyone participating in this meeting to ask a question or make a comment.

Resident mentioned there will be a Town Hall on June 30th at 7 PM in the Fireside rom or on Zoom to explain the Solar Initiative.

Resident acknowledged the Board and thanked them. She wondered when the Mutual would move forward on the solar matter.

Resident thanked the outgoing Board. She thanked Mr. Cheun for his finding money for landscaping.

Resident thanked Mr. Cheun and Ms. Alley for their enormous patience and brain power for the past 5 years. She mentioned the mail carrier is concerned about a bank of mailboxes that is falling apart.

Mr. West will follow up on a work order regarding the cost of mailboxes.

ELECTION RESULTS

Three candidates came forward by the March 19th deadline for the three open positions.

Ms. Paone, Assistant Secretary of WALNUT CREEK MUTUAL NO. SEVENTY, hereby declared that the foregoing results of the election for Directors of WALNUT CREEK MUTUAL NO. SEVENTY are in order and that the following persons have been elected by acclamation: David Kirkpatrick, Herma Lichtenstein, and Janet Maleski.

Ms. Alley recognized the outgoing directors. She thanked them for their hard work and stated that they were always willing to step up to get something done. They offered their expertise and made the tough decisions. Mr. Cheung remains on the Board. Ms. Lichtenstein has a background in landscape architecture. Mr. Kirkpatrick has served on 2 previous HOA Boards.

Ms. Maleski stated that she is excited to be on the Board. She would like to pursue having a communications committee, but will go slowly. Mr. Brohaugh has a background in engineering and finance. He worked on Boards of non-profit organizations.

APPOINTMENT

The Board moved to appoint Anne Paone as Chair Pro Tem for the Organizational Meeting to immediate follow the adjournment of the Annual Meeting.

ADJOURNMENT

Having no further business, the Ninth Annual Membership Meeting adjourned at 11:25 a.m. to an Organizational Meeting to elect officers of the corporation.



Anne Paone, Assistant Secretary
Walnut Creek Mutual Seventy