

WALNUT CREEK MUTUAL SEVENTY  
MINUTES  
FOURTH ANNUAL MEETING OF THE MEMBERSHIP  
FRIDAY, JUNE 19, 2015  
FIRESIDE ROOM – GATEWAY COMPLEX

OPENING

President Rowe opened the meeting at 10:00 a.m. and introduced Directors Alley, Cruson, Dietschy and Matthews.

Mr. Rowe welcomed the 46 residents present. Fifty-two owners were needed for a quorum (30% of the total number of 172 member owners), however since there were no items to be voted upon at the meeting, a quorum was not required.

Staff was represented by Rick West, Building Maintenance Manager; Paul Donner, Director of Mutual Operations; and Anne Paone, Administrative Secretary.

PROOF OF NOTICE OF MEETING

Ms. Dietschy certified that notice of the annual membership meeting appeared in the *Rossmoor News* on May 20, 2015. A notice was mailed on June 5, 2015 by first class mail to each membership household in accordance with Section 4.4(a) of the Bylaws of Walnut Creek Mutual Seventy.

APPROVAL OF MINUTES

President Rowe asked for any additions or corrections to the minutes of the Third Annual Membership Meeting and the Organizational Meeting held June 20, 2014. Hearing none, Mr. Rowe declared the minutes approved as written and reviewed.

ELECTION RESULTS

Mr. Rowe reported that there were three openings and three people announced their candidacy. Incumbents Eldon Rowe, Jerry Cruson, and Jill Alley were elected by acclamation.

REPORTS OF OFFICERS

President's Report - Mr. Rowe reported that the Mutual is a California State Corporation. The Mutual has had a large number of needed repairs and maintenance issues this year. We are pro-active in addressing issues. There was a lot of dry rot and termites found this year.

We are finishing the third phase of the flat roofing project. Next year, the fourth phase will be roofing of the carports and one last building. Our elevators are very old. They

were built in 1977 and 1978. The reserve study indicates that they need to be repaired or replaced. The greatest need will come first. We are hoping to start in January 2016. The cost will be in excess of \$100,000 per elevator. Financially, the Mutual is doing okay.

Vice President's Report – Ms. Alley reported that she was appointed to the Board to fill a vacancy and then became vice president. Ms. Alley stated that her role is to attend Mutual Board meetings and to stand in for the president when he is unavailable.

Secretary's Report – Ms. Dietschy reported that her role is to read and proof the minutes as recorded by the Assistant Secretary of the Mutual, Anne Paone.

Treasurer's Report – Mr. Cruson explained that there are two funds – the operating fund, which is used for routine repairs and replacements and the reserve fund which is maintained for future expenses to repair or replace components of the Mutual such as roofs, mailboxes, and asphalt. As of May 31, 2015, the operating fund had \$253,800 and was over budget by \$8,300. This is mainly due to termites and tree removals. Expenses exceeded revenue by \$7,300. The operating fund ending balance was \$91,600. The reserve expenses were \$92,000. This was \$98,000 under budget. The revenue exceeded expenditures by \$115,866. The reserve fund ending balance was \$1,338,984. The total fund balances is \$1,430,634. There is \$165,000 in Mechanics Bank and the remainder is in a CD. Both are insured.

Mr. Rowe reported that the Mutual is financially comfortable. The Board increased the coupon by \$25 per month per manor to build up the reserve. The Board doesn't want the Mutual to have to face a special assessment. That additional increase made it possible to absorb the cost of the elevators. In the near future, the Board will need to address the tile roofs. They are scheduled for 2019. They may need to be done in phases.

## BUILDING COMMITTEE REPORT

Mr. Matthews is the chair of the committee.

Mr. West reported that Mutual Seventy is a busy Mutual. There are a lot of projects going on. The roofing project for 2015 is in progress with 12 roofs currently being worked on. The Mutual has 6 elevators. It will take approximately 2 weeks to repair an elevator and it will be out-of-service for that time. We will work with Securitas to set up a program to help residents get up and down.

The Modernization/Technical Safety of the elevators involves replacing or rebuilding parts in the electrical room. They will be ADA compliant and will have new panels and new lights.

There have been dry rot issues in the balconies. We put together a task force that is inspecting balconies. We have been replacing or rebuilding any components that need it. The Mutual is pro-active all year long. We are inspecting all parts of the buildings.

Ms. Alley and Mr. Matthews were thanked for their help on the Building Committee. Herb Salomon also serves on the committee.

### LANDSCAPE COMMITTEE REPORT

Mr. Rowe reported that Jim Drommond is the chair of the committee. The main issue is water. EBMUD is requiring reductions. This month and next month the irrigation will go on 3 nights in a row. Some plants need some deep root watering. If a plant is dead, it will be removed and the area will be covered with rocks, bark or gorilla hair. Plants will not be replaced at this time.

### EMERGENCY PREPAREDNESS COMMITTEE REPORT

Ms. Dietschy reported that Emergency Preparedness lives and thrives in Rossmoor because of enthusiastic neighbors. She recommended that everyone get to know their neighbors. If there is an emergency, it may take some days before emergency personnel arrive. Residents need to make sure people know that they have pets. It would be very helpful if neighbors knew who needs a walker or other types of assistance. Ms. Dietschy provided some information on the table for residents.

### ALTERATIONS COMMITTEE REPORT

Mr. Matthews reported that members need permits when making changes to their units. They need to follow the rules. This insures that the work is done correctly. This is to protect the Mutual as well as the individual.

### AD HOC RESERVE STUDY COMMITTEE REPORT

Mr. Rowe reported that the reserve study is reviewed each year. This study will require an adjustment due to the elevators.

### GOVERNING DOCUMENTS COMMITTEE REPORT

Ms. Alley reported that the Mutual's Operating Rules are a work in progress. Sometimes we need to modify or delete rules that are irrelevant or inconsistent and add rules when indicated. Policies are addressed when residents bring issues to the Board at meetings or in emails or conversations. This is the case with rule 1.12.1-Hard Surface Flooring. The current policy defines the type of flooring system required for second and third floor units. It includes the Impact Insulation Class (IIC) standard of 78. The Board had received feedback from residents and has been advised that an IIC standard of 78 is only achievable with carpet and padding.

The Documents Committee researched articles and consulted with contractors who work in Rossmoor. The Board has determined that a wood surface flooring system with an IIC of 74 provides the highest rated and most effective acoustic barrier. Therefore, the Board is recommending a change to rule 1.12.1 to reflect the new IIC standard of 74. In addition, rule 1.8.4, which addresses front door hardware, will now permit the installation of any type or finish of metal hardware. These two rule change recommendations will be distributed to the membership with the opportunity for comment.

Mr. Rowe stated that there will be a 30-day comment period. The Board will review the comments at its regular meeting and will decide whether to adopt them. He also stated that solar is a new issue. The Mutual would like to make it possible to have solar installations. Mutual Seventy will gather information and will address as a separate Mutual. Mutual 48 is doing solar and Mr. Rowe has contacted the president, John Reppart, for information. One issue is that the roofs are guaranteed. The Mutual needs to understand how solar can be added to the roofs without negating the guarantee before solar can be allowed.

### UNFINISHED BUSINESS

Mr. Rowe reported that some residents do not follow the rules, especially parking. They use their driveways for parking and they park at the curb. Cars may park in front of the garage temporarily to load or unload items. Mr. Rowe pointed out that this is a safety issue. He asked that everyone report to the Board anyone they see breaking these rules. Additionally, residents may only store neatly stacked firewood that is not touching any walls in their carports.

### NEW BUSINESS

Mr. Rowe reported that a petition was presented to the Board because members are interested in changing the color on the handrails going up or down to the units. They are currently painted blue.

### MEMBERS' FORUM

Resident asked about the recycling landfill designated area. She felt that it is not up to standards. She would like to see the stucco repaired and painted. It needs cosmetic refurbishing. There is moss growing around the foundation.

Water does not exit the pipes correctly. There was also a roof leak due to the angle of the roof. Roofers came out and changed the angle of the roof.

Mr. Donner said he would have to go back and check work orders to see why the work orders weren't being processed in a faster manner. MOD will continue to work on their response time.

A resident asked Mr. West to explain the procedure for reroofing. He reported that it generally takes about 2 weeks per building. Notices are sent out prior to the work starting. The schedule is 8-4:30.

A resident asked a question about the flooring rule. Ms. Alley responded and explained that it is possible to have the correct noise abatement level at IIC 74.

Mr. Rowe reminded the membership that they can call the work order desk for most issues.

Residents may go to Rossmoor.com to locate the names and phone numbers of the Board members.

Resident stated that she likes the blue color of the railings. Mr. Rowe stated that the painting is already in the reserve budget.

Resident asked why she can't park in her driveway. Mr. Rowe explained that it is the

policy. Vehicles may block views for other drivers. Residents may park in their driveways to load or unload their car.

Resident asked how much water is being saved by changing the landscaping. Mr. Rowe responded that the Mutual can monitor the use by the entry every 2 months. EBMUD will charge an additional fee if they go over the usage allowed. The big cost is always lawns. The Mutual has no lawns.

Mr. Donner stated that they can look at the water bills to see how many units were used from 2014-2015. MOD doesn't have the staff to check. The Mutual reduction is based on 2013. He reminded the membership that there will be a 25% drought surcharge when EBMUD pumps from the reservoir.

Resident had a question about termite reports. Mr. Donner explained that section 1 items are required to be repaired before the close of escrow. Other items are put into the file and are addressed when the Mutual does rehab work.

Resident requested some names and telephone numbers. Mr. Rowe explained that this information is given out depending on the reason for the request.

Resident wanted to know if there will be colors to choose from for painting. Any new colors that are suggested will be presented to the building committee for their review.

Resident signed off on an alteration for upstairs neighbor for wood flooring. It is not adequate sound proofing. She will request that it be removed when the unit is sold.

Resident asked if members vote on policies. Mr. Rowe explained that members get to comment, but the Board makes the final decision to adopt policies. The members then get the final policies in the mail.

Resident had a question about smoking in Rossmoor. Mr. Rowe reported that the City of Walnut Creek has a no smoking ordinance. Residents may go to the Walnut Creek website for details. All of the Mutual entries have no smoking signs posted, per the requirement of the ordinance.

Resident asked if solar can be combined with tile replacement. Mr. Rowe reported that they have asked the building people to see if there could be a different material that could be used that would have the same look and would allow the incorporation of a solar panel system.

#### ADJOURNMENT

Having no further business, the Fourth Annual Membership Meeting adjourned at 11:30 a.m. to an Organizational Meeting to elect officers of the corporation.

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Ellen Dietschy, Secretary  
Walnut Creek Mutual Seventy