



**BOARD OF DIRECTORS MEMBERS MEETING MINUTES- GOLDEN RAIN FOUNDATION
December 22, 2015**

Call to Order

Vice President Damoci called the regular monthly meeting of the Golden Rain Foundation (GRF) Board of Directors (BOD) members to order at 10:00 a.m., on Tuesday, December 22, 2015, in Clubhouse Four.

Pledge of Allegiance

We were honored today to have Major Fred Seiler, of the Salvation Army, to lead us in the Pledge of Allegiance.

Roll Call

The Corporate Secretary reported that Board members R. Stone, Pratt, Snowden, Hood, Wood, Rapp, Damoci, Reed, Doderio, Greer, Lukoff, Friedman, and Moore were present. Board Members Bolton, McGuigan, Perrotti, L. Stone, and Winkler were absent. Executive Director Ankeny and Controller Miller were also present. Thirteen Board members were present, seven constituted a majority.

Announcements/Service Award Presentation

The Committee meeting schedule is published in the *Golden Rain News*. All committee meetings are open to Shareholder/Foundation members.

Four service awards were acknowledged this month:

The GRF Vice President recognized the following service anniversaries:

George Madrid	Service Maintenance	20 years of service
Lorene Christian	Security Department	25 years of service

The Chief of Security recognized two employees, Kathleen McCormick, 5 years of service and Linda Williams, 10 years of service, who were unable to attend today's meeting to accept their service anniversary awards due to illness.

President's Comments

The GRF President was unable to attend today's meeting; therefore, no Presidential comments were offered.

Shareholder/Member Comments

Eight shareholder/members spoke on various topics concerning the operations of the community.

NOTE: Foundation members are permitted to make comments before the business of the Board begins. Requests must be registered in advance of the meeting and comments are limited to four minutes.

CONSENT CALENDAR – APPROVAL OF BOARD COMMITTEE MEETING MINUTES

In accordance with Civil Code 4090, the Foundation has made available a summary of the meetings where a quorum of the Board was present. Quorums of the Board were present at seven Committee meetings in October and November. The Committee minutes for these meetings were approved earlier this month by their respective Committees:

- Minutes of the ITS Committee Board Meeting of October 13, 2015
- Minutes of the Special Physical Property Committee Board Meeting of November 4, 2015
- Minutes of the Special Finance Committee Board Meeting of November 5, 2015
- Minutes of the Recreation Committee Board Meeting of November 9, 2015
- Minutes of the Mutual Administration Committee Board Meeting of November 10, 2015
- Minutes of the Executive Committee Board Meeting of November 13, 2015
- Minutes of the Architectural Design Review Committee Board Meeting of November 23, 2015

The method with which these minutes will be approved is the Consent Calendar, which means any item placed on the Consent Calendar can be approved in one motion.

The Consent Calendar was approved, by general consent of the Board, as distributed.

The Committee Chairs are asked to stop by the Board Office within the next five business days to sign their approved Board Committee minutes. Once they are all signed, they will be posted to the website.

APPROVAL OF BOARD MEETING MINUTES

The minutes of the November 24, 2015 and December 4, 2015 Golden Rain Foundation Board meetings were approved, as distributed, by general consent of the Board.

NEW BUSINESS

Ad Hoc Committee Establishment, Standing Committee Charter Review

Pursuant to Article VIII of the Golden Rain Foundation of Seal Beach Bylaws, it is recommended to appoint, subject to the approval of the Board, an Ad Hoc Committee to review and amend all standing committee charters (Policies 5110-30, Executive Committee; 5115-38, Finance Committee; 5118-34, ITS Committee; 5125-36, Communications Committee; 5130-70, Physical

Property Committee; 5135-50, Recreation Committee; 5145-37, Security Committee; 5160-30, Architectural Design and Review Committee, and 5165-33, Mutual Administration Committee).

Mrs. Damoci MOVED, seconded by Mrs. Reed - and carried unanimously by the Board members present-

TO approve a Standing Committee Charter Ad Hoc Committee to review all standing committee policies for possible amendment as follows:

1. The general purpose of the Standing Committee Charter Ad Hoc Committee is the review, recommendation and amendment to the Charters governing GRF Standing committee duties and oversight.

2. The Ad Hoc Committee functions in an advisory or consultative capacity under section 1.1, as noted in the previous sentence, unless the purpose of the Ad Hoc Committee is amended and approved by a majority vote of the BOD.

3.1 In accordance with article VII of the Bylaws, the Ad Hoc Committee chair and members shall be appointed by the president and approved by action of the BOD.

3.2 The Ad Hoc committee shall consist of the following: Chairperson of the ADRC, Chairperson of the Communications Committee, Chairperson of the Executive Committee, Chairperson of the ITS Committee, Chairperson of the Finance Committee, Chairperson of the Mutual Administration Committee, Chairperson of the Physical Properties Committee, Chairperson of the Recreation Committee, Chairperson of the Security Bus and Traffic Committee, and the Committee Chair, Vice President.

4. The Ad Hoc Committee shall exist unless removed by majority vote of the BOD or until such time the BOD has reviewed recommendations of the Ad Hoc Committee on standing Committee Charters.

Communication Committee

Amend Policy 5125-36, Communications Committee

At the regular meeting of the Communications Committee on December 10, 2015, the Committee reviewed the general functions of the Committee and determined the general scope of the Committee's oversight is related to GRF publications (News, Phonebook, Magazines, etc.). The use of the term "communication" may cause some conflict with other GRF communications work products (ex.: web-based communications).

The consensus of the Committee was to recommend the GRF BOD amend Policy 5125-36, Communications Committee, changing the name to Publications Committee (draft of amended policy provided in agenda packet).

Mrs. Greer MOVED, seconded by Mr. Hood and carried unanimously by the Board members present-

TO amend Policy 5125-36, changing the Communications Committee name to the Publications Committee.

Executive Committee

Adopt Policy 5024-30, Committee Structure

At its meeting on December 11, 2015, the Executive Committee unanimously recommended the adoption of Policy 5024-30, Committee Structure. Policy 5024-30, Committee Structure, clarifies the formation of Sub-committees and Ad Hoc committees.

Ms. Rapp MOVED, seconded by Mrs. Greer and carried unanimously by the Board members present-

TO adopt Policy 5024-30, Committee Structure, to clarify the formation of Sub-committees and Ad Hoc committees.

Finance Committee

Approve November 2015 Financials

Mr. Hood MOVED, seconded by Ms. Rapp and carried unanimously by the Board members present-

TO accept the November 2015 Financial Statement for audit.

Approval of Lease for Computer Club

Mr. Hood MOVED, seconded by Mr. Lukoff and carried unanimously by the Board members present-

TO remove from the agenda the item under 9. New Business, Executive Committee, number b.ii., Approve Lease for Computer Club, based on the Computer Club's Board of Directors' decision that the Club no longer required dedicated room space.

The consensus of the Committee was to recommend the GRF BOD amend Policy 5125-36, Communications Committee, changing the name to Publications Committee (draft of amended policy provided in agenda packet).

Ms. Greer MOVED, seconded by Mr. Hood and carried unanimously by the Board members present-

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Committee name to the Publications Committee.

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formation of Sub-committees and Ad Hoc committees.

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Executive Committee, number b.ii., Approve Lease for Computer
Club, based on the Computer Club's Board of Directors' decision that
the Club no longer required dedicated room space.

Approve NSBN 2015 Audit Services Extension

In 2013, initiated by the Finance Committee and approved by the Board, NSBN extended their current pricing of \$110,000 for the annual audits of GRF and all Mutuals and for tax return preparation and filing for GRF and all Mutuals and \$6,000 for the 401K audit, a total of \$116,000, through 2015. In September 2015, the Board approved the bid proposal from NSBN covering the years 2015, 2016 and 2017. In the accepted proposal, the fee for 2015 is \$134,500. This is \$18,500 more than the agreed upon fees in 2013 for the 2015 audit period.

Upon notifying NSBN of the Board's decision to accept their bid for the years 2015, 2016 and 2017, NSBN expressed their willingness to honor the initial 2015 fees totaling \$116,000 to cover both the 2015 financial and the 401(K) audits and tax preparation and filings for GRF and all Mutuals and requested to extend their bid prices to the audit years of 2016, 2017 and 2018.

At its regular scheduled meeting held on December 15, 2015, the Finance Committee passed a motion to recommend to the Board to accept NSBN's offer as stated (provided in the agenda packet).

Mr. Hood MOVED, seconded by Mrs. Reed and carried unanimously by the Board members present-

TO approve the engagement of services of NSBN to perform the 2015 annual financial and 401(k) audits and to prepare and file tax returns for GRF and all Mutuals at the rate of \$116,000 and to extend NSBN's pricing originally intended for the audit periods of 2015, 2016 and 2017 to the audit periods of 2016, 2017 and 2018.

Rescind Obsolete Procedures

At its December 15, 2015, the Finance Committee recommended that numerous obsolete procedures be rescinded.

Ms. Snowden MOVED, seconded by Mr. Friedman and carried unanimously by the Board members present-

TO rescind obsolete procedures:

Procedure 2242-31 – Mutual Finance Reports
Procedure 2251-31 – Assessed Valuation & Homeowner's Exemption
Procedure 2271-31 – Checks Drawn to the Order of GRF
Procedure 2272-31 – Petty Cash Procedures
Procedure 2284-31 – Property Run Procedure
Procedure 2285-31 – Collection Procedures
Procedure 2289-31 – Insurance Broker Service
Procedure 3321.8-31 – Purchase Requisition Approval
Procedure 3321-31 – Purchase Orders

Procedure 3321.5-31 – Purchase Requisition Procedure
Procedure 3321.6-31 – Purchase Order Procedure
Procedure 3321.7-31 – Invoice Approval for Payment
Procedure 3322-31 – Credit Memorandums
Procedure 2121-31 – Escrow Accounting Procedure
Procedure 2241-31 – GRF Financial Reports

ITS Committee

Approve Broadband Agreement

At the regular meeting of the ITS Committee on December 8, 2015, the Committee reviewed the recommendations for replacement of the wireless broadband agreement between FTS and GRF. Based on the SANS audit, network security would be enhanced through the establishment of a new broadband provider and associated equipment. The existing FTS Services (20 mbps) is provided at a cost of \$1,460 per month while the proposed TelePacific services (50 mbps) would be provided at a cost of \$1,099 per month.

It was with the unanimous approval of the Committee to recommend cancellation of the agreement between GRF and FTS and enter into a three (3) year agreement with TelePacific. Note: Upon approval, transition between service providers may require 30-60 days of parallel service to insure minimal disruption of required network connectivity.

Mr. Friedman MOVED, seconded by Ms. Snowden -

TO approve entering into a three (3) year agreement with TelePacific, per their quotation 112015, and authorize the President to sign the agreement. Upon securing and verification of services by TelePacific, the Executive Director is authorized to cancel services provided by FTS.

Two Board Members spoke on the motion.

The motion was carried unanimously by the Board members present.

Physical Property Committee

Purchase of Three Maintenance Vehicles

At its regular scheduled meeting on December 2, 2015, the Physical Property Committee reviewed options to purchase three (3) Maintenance/Physical Property electric vehicles. The 2016 Capital Budget reflects the addition of two (2) Service Maintenance Technicians and one (1) Physical Property Inspector, creating the need of these additional vehicles.

The Committee reviewed the cost and design of new and used options for the budgeted amount of \$10,000 each. The three (3) vehicles will be equipped with ladder racks, tool boxes and new batteries.

The Committee unanimously voted to recommend the GRF Board award a contract to Junior's Westcoast Golf carts for the purchase of three (3) preowned Club CarTurf 1 Golf Carts (Exhibit A). Electrical outlets will also be needed for the charging of these electric vehicles at an estimated cost of \$2,500, as well as the purchase of cab enclosures and windshield wipers, which are within the budgeted amount of \$30,000.

Mr. Lukoff MOVED, seconded by Ms. Rapp and carried unanimously by the Board members present-

TO approve the purchase of purchase three (3) used Club Car Turf1 Golf Carts from Junior's Westcoast Golf carts, install electrical outlets for the charging of the electric vehicles, windshield wipers, cab enclosures, at a cost not to exceed \$30,000, funding from the Capital Fund and authorize the Executive Director to initiate the purchase.

Janitorial and Custodial Contract for 2016-2018

The current contract for Janitorial and Custodial services will expire on December 31, 2015. On October 14, 2015, thirteen (13) invitations to bid for Janitorial and Custodial Services were sent out and five (5) companies responded.

At its November 9, 2015 meeting, the Recreation Committee found the following three (3) companies to be best suited and requested that interviews be scheduled:

- Commercial Cleaning Systems (CCS)
- Innovative Cleaning Services
- Pegasus Building Services

At a special meeting of the Recreation Committee on Monday, November 30, 2015, interviews with the three (3) selected companies were performed and, after reviewing all of the information provided, it was the recommendation of the Recreation Committee to request that the Board approve Pegasus Building Services to provide Janitorial and Custodial services for a three (3) year term from 2016-2018 (Proposal Recap provided in the agenda packet).

Mr. Hood MOVED, seconded by Ms. Rapp and carried unanimously by the Board members present-

TO approve the contract with Pegasus Building Services to provide Janitorial and Custodial services for a three (3) years in the following

amounts: Year 1- \$1,079,460 Annual, Year 2 - \$1,079,460 Annual,
Year 3 - \$1,079,460 Annual, for a Three (3) year total of \$3,238,381
and to authorize the President to sign the contract is requested.

CONTROLLER'S REPORT

The Controller's report was presented. The Controller announced that the Accounting staff is available to answer questions regarding increases in property taxes.

EXECUTIVE DIRECTOR'S REPORT

A printed copy of the Executive Director's report was provided to the Board Members.

BOARD MEMBER COMMENTS

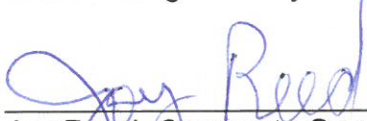
Thirteen Board members spoke on topics related to today's Board of Directors' meeting.

PRESIDENT:

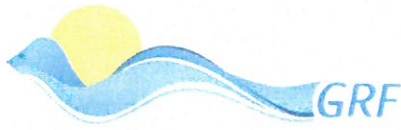
The Vice President wished shareholder/members, the Board of Directors and GRF staff happy holidays.

ADJOURNMENT

The meeting was adjourned at 11:23 a.m.



Joy Reed, Corporate Secretary
GRF Board of Directors
dfb 12/22/15



Executive Directors Report

Board Meeting of December 22, 2015

General Project Update

A. PERIMETER WALL PROJECT 2014 SECTION A

Approved Budget: \$494,000

Funding: Reserve

Date Committee Approved: 9/12/2014

Date Board Approved: 10/2/2014

Project Status 95%

Project Total: \$439,414

Action

- Block Wall, Tree and Landscape removal started 11/19/2014 along section A. Block work in process
- Permit from OCFC approved to install wall over channel
- Side walk replacement complete
- Landscape to match south side in process, city is requesting rebate on turf removal

B. PERIMETER WALL PROJECT SECTION J&K

Approved Budget: \$650,000

Funding: Reserve

Date Committee Approved: 1/9/2015

Date Board Approved: 1/27/2015

Project Status: 5%

Project Total: \$72,175

Action

- Permit for entry from OC Flood in process
- Engineering and soils testing completed

C. SALES OFFICE UPGRADES

Approved Budget: \$70,000

Funding: Capital

Date Committee Approved: 11/14/2014

Date Board Approved: 12/19/2014

Project Status: 95%

Project Total: \$51,825

Action

- Signs on order
- ADRC in process of landscape improvements

D. GLOBE ENTRY MONUMENT REPAIRS AND CONSERVATION

Approved Budget: \$163,270 + \$21,000 + \$180,000 = \$364,270

Funding: Reserves

Date Committee Approved: 2/15/2015

Date Board Approved: 2/24/2015

Project Status: 30%

Project Total: \$104,940

Note: GRF Board approved a change order for paint upgrade on 3/24/2015 for \$21,000 increasing total project budget to \$184,270

Action

- Containment complete
- Removal of lead paint complete
- Sandblasting to bare metal complete
- Continents beyond repair, looking into replacement options
- Board approval (August 25th meeting) for funding approval to replace continents (\$180,000).
- Wind damage to scaffolding repaired
- The Stretch Contractor for the continents is estimating 12 weeks to deliver the pieces
- Start Work with pieces that do not require forming Dec 7 – January 15
- Start installation of Formed Pieces Jan 18 – Jan 29
- Sandblast, Prime and Paint Feb 1 - Feb 5
- Scaffold Removal and clean up Feb 8 – Feb 12
- Project on schedule

E. PAVING PROJECT SOUTH ST. ANDREWS DRIVE/ST. ANDREWS GATE

Approved Budget: N/A

Funding: Reserve

Date Committee Approved: 3/24/2015

Date Board Approved: N/A

Project Status: Engineering/Investigation stage

Project Total: \$8,370

Action

- The PPC at its March meeting accepted quotes from Urban Crossroads to complete studies for the St. Andrews paving project and St Andrews Gate at a cost of \$4,780.00 and \$3,590.00
- Engineering and Physical Properties Committee review in process
- The PPC at its September meeting, instructed staff to obtain cost for additional rendering of St. Andrews Gate plan
- The PPC at its October meeting directed staff to obtain final draft of St. Andrews Gate plan
- Final draft was approved by the PPC and staff instructed to send out RFP and bring back bids to a future meeting.
- RFP in progress
- Bidders meeting early January

F. PERIMETER WALL PROJECT SECTION B

Approved Budget: \$350,000

Funding: Reserve

Date Committee Approved: 1/20/2015

Date Board Approved: 5/20/2015

Project Status: 5%

Project Total: \$31,731

Action

- Survey results confirmed Wall Section B is on Trust Property only
- Dantuma Masonry will continue to Wall Section B after completing Wall Section A
- Neighbors have not responded to requests for access, certified letters have been sent out
- Approval has been granted from Rehabilitation Center
- Corporate Counsel has been directed to send correspondence to the Mitchell Land and Development Company to facilitate approval.
- Correspondence sent to Mitchell on December 7, 2015, Mitchell had 10 days to respond.
- Final Notice to be sent week of December 21, 2015

G. CLUBHOUSE 3 CONCRETE REPLACEMENT

Approved Budget: \$50,000

Funding: Reserves

Date Committee Approved: 8/5/2015

Date Board Approved: 8/25/2015

Project Status: 90%

Project Total:

Notes:

Action

- Location of planters (large pots) in process
- Project to start first week of November and be completed before the end of November
- Contract on schedule for a November 23rd completion
- Concrete Completed
- Tree installation, December 18, 2015

H. ALAMITOS BARRIER IMPROVEMENT PROJECT

Approved Budget: n/a

Funding: n/a

Date Committee Approved: December 2013

Date Board Approved: December 2013

Project Status: Scheduled to start January/February 2016

Project Total: n/a

Notes: OCWD to install monitoring well inside Leisure World and the injection wells along the Los Alamitos Channel (Clubhouse 2 parking lot and Golden Rain rd). Mobilization to occur sometime after the holidays in January/February 2016

- Project is ready to commence, estimated start date January/February 2016
- A pre-construction meeting is scheduled for December 8, 2015 with OCWD and officials

- Community Information Meeting is scheduled January 4 in Clubhouse 2 at 1:00

I. WESTMINSTER WALL

Approved Budget: n/a

Funding: Reserves

Date Committee Approved: n/a

Date Board Approved: n/a

Project Status: 1%

Project Total: \$2,500

Notes: Pending Project

Action:

- 45 mph winds, on November 16th, damaged about 100 feet of wall on Westminster. Damaged portion of wall was removed and temporary fence was installed
- Working with Civil Engineer to conduct site survey

J. 1.8 Swing Gate

Approved Budget: \$6,000

Funding: Capital

Date Committee Approved: November 2015

Date Board Approved: n/a

Project Status: 100%

Project Total:

- Project Completed
- Final Report

K. SECURITY BATHROOM UPGRADES

Approved Budget: n/a

Funding: Reserves

Date Committee Approved: n/a

Date Board Approved: n/a

Project Status: RFP

Project Total:

Notes: ADRC completed design selection

Action

- RFP sent out to 4 contractors bids due back November 27th
- Two bids were reviewed at the December PPC, the committee asked staff to obtain additional bids and bring back to their next meeting

L. BACK HOE PURCHASE

Approved Budget: \$35,026

Funding: Capital

Date Committee Approved: 10/9/15 EC

Date Board Approved: 10/27/15

Project Status: Delivered

Project Total: \$35,026

Notes: Staff training in process

- Equipment received and operational, Final report

M. SECURITY BATHROOM UPGRADES

Approved Budget: n/a

Funding: Reserves

Date Committee Approved: n/a

Date Board Approved: n/a

Project Status: RFP

Project Total:

Notes: ADRC completed design selection

Action

- RFP sent out to 4 contractors bids due back November 27th
- Two bids were reviewed at the December PPC, the committee asked staff to obtain additional bids and bring back to their next meeting

N. OUTDOOR FURNITURE PURCHASE

Approved Budget: \$35,000

Funding: Capital

Date Committee Approved: 11/4/15 PPC

Date Board Approved: 11/24/15

Project Status: Delivery scheduled for 12/21/15

Project Total: \$35,000

Notes: Furniture to be delivered to Clubhouse 6, Administration/Health Care Building and Clubhouse 3/Library area

- Delivery scheduled for December 21, 2015

O. STORM DRAIN CLEANING

Approved Budget: \$50,000

Funding: Contingency Fund

Date Committee Approved 11/16/15 FC

Date Board Approved: 11/24/15

Project Status: 15%

Project Total:

Notes: Preliminary mapping and survey complete

Recreation

A. Fitness, NuStep Machine

Approved Budget: \$4,443

Funding: Capital

Date Committee Approved 11/16/15 FC

Date Board Approved: N/A

Project Status: 100%

Project Total: \$4,443

Notes: Equipment installed and in use

- Project complete, Final Report

IT Services Project Update

A. CMMS SOLUTION SEARCH

Approved Budget: Approved Outlay \$235,282 (Jenark/MicroMain Project)

Funding: Capital

Date Committee Approved: 2/11/2014

Date Board Approved: 2/24/2014

Project Status: 50%

Project Total: \$226,214

Notes: \$9,068 remaining, plus MicroMain refund (\$52,197)

Action

- Initial Axserion proposal - \$27,850
- Board approval, July 28th
- In progress (60%)

B. SANS Remediation

Approved Budget: Capital \$15,943, Reserves \$17,501, Operations \$29,250, Contingency \$5,000)

Funding: Capital

Date Committee Approved: 10/30/2015

Date Board Approved: 11/5/2015

Project Status: 25%

Project Total: \$0 (no invoices submitted as of this date)

Notes: Work estimated to be completed by March 1, 2016

- Installation of Cisco and Meraki equipment, inprogress

Security

- In a comparison of November 2014 to November 2015 security reports recap, the only significant items of note:
 - Increase in – Fire (minor, cooking related) and Theft (petty) and Incident
 - Decrease in - Incident
- 16 reported traffic incidents/accidents in November; incidents are in the very minor to minor category.

If you see suspicious activity, report it immediately.