



BOARD OF DIRECTORS MEMBERS MEETING MINUTES- GOLDEN RAIN FOUNDATION January 26, 2016

Call to Order

President Winkler 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, January 26, 2016, in Clubhouse Four.

Pledge of Allegiance

We were honored today to have Anita Ragole, of the Leisure World Chorale group and the Good News Singers, to lead us in the Pledge of Allegiance.

Roll Call

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

President's Comments

It feels good to be back in the saddle, so to speak! As many of you are aware, I had an unfortunate accident on December 18th and broke the fibula bone in my right leg. Then to add to the complications of a broken leg, I came down with very bad cold that has been affecting many of us. 2016 has been somewhat of a rough journey so far.

A warm thank you for the cards and phone calls offering assistance that I have received. It has been somewhat of an adventure and a learning curve in the world of medical care, caregivers and handicap access. Blessings on our handicap/access bus system and drivers. It certainly made it possible for me to get from point A to point B. The GRF employees have my gratitude for their assistance throughout this challenge.

Even though I have been out of the office, I have been keeping up with GRF activities and information from my home computer. As a GRF Director, I have been puzzled by the angst from a few Shareholders regarding the approximate \$400,000 plus excess income from 2015 being used to replenish the Foundation Reserve accounts. The portion of the civil code which covers home owner associations, also known as Davis Stirling Act, mandates a reserve study, which was performed. This Reserve Study provides fundamental information on our assets, the life expectancy of these assets and most importantly the dollar amounts necessary to cover future

repairs and replacements of the assets. The Reserve Study was clear, we are funded to an estimated fifty five percent. There is a clear need to increase the Reserves percentage in industry-accepted norms.

Annual Golden Rain Foundation assessments cover our GRF operating and reserve budget. By allocating the excess income from 2015 to reserves, we were able to keep the increase in 2016 assessments to a little over \$4.00. If surplus funds were not committed to our Reserves, the increase could have been well over \$9.00. In essence, the money went directly back to the shareholders by keeping the GRF assessment at a minimum while at the same time supporting the Reserves fund.

There is a great deal of work which needs to be done on our aging infrastructure now well over 50 years old. A recent summary report from our Facilities Director, Mark Weaver, noting the many projects in process, made this very clear, including the critical replacement of the Westminster wall.

The recent wind storm damage to the Westminster wall, which toppled over 75 feet of the wall, indicated this project needs to be done as soon as possible. Today the Board has on the agenda a motion to rescind a previous motion to move the wall out as far as possible. This will give us the ability to start the engineering and work to replace the wall where it is now, at substantial cost savings. This project began initial review in 2002, it's now almost 14 years later and time to commence this project. We should see significant progress in the near future, pending today's Board action.

The Trust street storm drain cleaning is still in progress with an estimated completion by February. So far, nothing significant has been found indicating any failures of the storm drain system, which would create a flooding problem.

The new back hoe has been delivered and employees are going through operator training. This backhoe will be able to be used for emergency cleanup and to facilitate Mutual projects where it can be used on a project.

The swing gates at 1.8 acres are in place to make it easier for Security personnel to close them when needed.

New automatic doors have also been installed at the two entrances to the Administration building. The old doors were breaking down constantly, and, most importantly, of an age where new parts were no longer available. It was necessary to replace the doors, rather than continuing to pay for costly repairs with reconditioned parts.

The Heath Care Center safety and accessibility project is complete and it's great to see Shareholders gathering and enjoying conversations with the addition of the new patio table and chairs.

The Sales Office interior enhancements have been completed, new signage is on order and landscaping improvements in the works. This work will enhance the office's appearance inside and out. Community resales provide an excellent return, a very good value for the dollars which have been spent enhancing the facility to attract new buyers. This project is still under budget.

In 2015, GRF collected \$1,193,232 from new GRF membership fees. The onsite Sale Office remitted to GRF, through terms of their lease, \$509,572. These numbers are vital as they directly offset operational expenses, provide the sole funding for the Capital improvement fund and help support the GRF Reserves.

I'm very excited to announce that in 2015 we had almost 100 million dollars in total unit resales.

Please take the time to see the refreshed new look from the concrete replacement, new trees and the placement of tables and chairs for social gatherings at the patio of Clubhouse 3 and the library. The Recreation Committee is excited about these improvements as the area now provides additional recreational event opportunities.

The News office restructuring is complete; all staff of the Publications Department are now located on the first floor. This project not only allowed for greater efficiency of the staff, but freed up vital space on the second floor for other Shareholder activities.

The paving project on the south part of St Andrews has been undergoing countless hours of review by the Physical Properties Committee. Options to enhance the traffic flow by a certified traffic engineer have been reviewed and adopted by the Committee. Based on this plan, which will feature one lane of traffic on both sides similar to the work completed on Golden Rain, the project is out to bid. For those of us who drive this section of St. Andrews and see the condition of the street, the improvements will be welcome.

The wall replacements behind Clubhouse 2 are still waiting for final easement and access approval from the Orange County Flood Control. Along the same vein, the Los Alamitos Barrier Project, that has been postponed for almost a year by Orange County Water, will begin this February. This project by Orange County Water is vital for insuring salt water is not intruding upon our fresh water. The project will include bore holes for testing and monitoring of our fresh water table.

The Globe is still a work in progress and has an estimated completion date of March 31st. The severe wind storm in November damaged the cover and supporting scaffolding. This has been repaired and it is now safe for contractors to commence the final stages of repairs and the replacement of the continents. Our contractors and suppliers have given us all indication that we should expect an unveiling of the Globe by the end of March.

We are rapidly approaching the time when our shareholders are asked to get involved and consider running for their Mutual boards and the GRF representatives from the even numbered Mutuals. You are needed. I realize the people sitting here today are involved just because they are interested enough to attend this meeting. However, you need to take the message back to your Mutual: our shareholders need to get involved.

If not enough Shareholders run for office and the Board cannot meet it's quorum requirements, there is a very real risk of the Mutual going into receivership. Simply stated, if we do not get enough concerned Shareholders to run and fill Board positions, the State would step in and appoint a Non Shareholder to fill this position and be allowed to make decisions on behalf of the Mutual without any firsthand knowledge of our community and how we operate. Please keep a close eye on the News for important elections information and deadlines.

Announcements/Service Award Presentation

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

There were no service award presentations.

Shareholder/Member Comments

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

NOTE: In accordance with applicable sections of the Civil Code and Policy 5610 of the Golden Rain Foundation, Members may provide comments to the Board. Members must register their requests in advance of the meeting and comments are limited to four (4) 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 six Committee meetings in December. The Committee minutes for these meetings were approved earlier this month by their respective Committees:

- Minutes of the Physical Property Committee Board Meeting of December 2, 2015
- Minutes of the Special Finance Committee Board Meeting of December 4, 2015
- Minutes of the Mutual Administration Committee Board Meeting of December 8, 2015
- Minutes of the Security, Bus & Traffic Committee Board Meeting of December 9, 2015
- Minutes of the Recreation Committee Board Meeting of December 14, 2015
- Minutes of the Finance Committee Board Meeting of December 15, 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 December 22, 2015 Golden Rain Foundation Board meeting were approved, as distributed, by general consent of the Board.

NEW BUSINESS

Finance Committee

Approve December 2015 Financials

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

TO accept the December 2015 Financial Statement for audit.

ITS Committee

Deletion of Staff Position

At the regular meeting of the ITS Committee on January 12, 2016, the Committee reviewed and discussed options for the ongoing oversight of the GRF network. In review of the growing requirements to maintain the network and the security of the network, the committee noted that an IT service provider provides strengths such as access to enhanced resources; trained, experienced, qualified and certified IT service individuals; and the resources to start new projects immediately. The ITS Committee recommended to the GRF BOD the removal of the staff position of Information Technology Services Manager and move core position duties to an IT services company. Secondary functions of the position would be transferred to existing staff.

Mr. Friedman MOVED, Ms. Snowden seconded -

TO approve the deletion of the staff position of Information
Technology Services Manager.

Three Board Members and the Executive Director spoke on the motion

The motion was carried unanimously by the Board members present.

Approve Broadband Agreement

At the regular meeting of the ITS Committee on January 12, 2016, the Committee reviewed the recommendations for replacement of the fiber optic/hard wire broadband agreements between Verizon, Time Warner and Superwire. 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 Verizon, Time Warner and Superwire 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. Stone -

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 Verizon, Time Warner and Superwire.

Three Board Members and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Website Enhancements

At the regular scheduled meeting of the ITS Committee on January 12, 2016, the Committee reviewed and discussed enhancements made to the website (www.lsws.com) of the Golden Rain Foundation (GRF). The revised website (beta site at www.goldenrainfoundationsealbeach.org) offers additional functionality as well as enhanced search capabilities. With the Board approval, the beta site will replace the current website with the web address remaining www.lwsb.com.

The 2016 Budget included \$18,748 for website services, AtHomeNet (which services the LWSB and sixteen Mutual websites) and website hosting fees, including \$9,600 for website development. New website development was performed with in-house staff requiring no contracted services. In consideration of various options and providers for website development, Word Press was selected offering the required functionality at a reasonable cost (proposed annual cost of \$678; possible annual savings of \$8,252 over AtHomeNet). Additional files are hosted on DiscountASP's servers for \$180 per quarter (AtHomeNet does not provide sufficient space for our needs).

The ITS Committee duly moved and approved to present the revised, improved and enhanced website to the Board for general approval.

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

TO approve the movement of the GRF website to WordPress, as drafted on www.goldenrainfoundationsealbeach.org, to provide the look and functionality of the website and authorize the Executive Director to:

1. Initiate the required actions to transition the

www.goldenrainfoundationsealbeach.org into web address of
www.lwsb.com

2. Cancel agreements between AtHomeNet and Discount ASP's
as GRF and the Mutuals transition to WordPress.

Four Board Members and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Physical Property Committee

Approve Contract for Security Restroom Upgrades

At the regular scheduled meeting of the Physical Properties Committee (PPC), the Committee reviewed four bids from contractors to complete upgrades at the Main Gate Security restrooms, as requested on the attached RFP, including replacement of fixtures, flooring, dividers, and counter tops (bid included in agenda packet).

Contractor	Cost	Days to complete
Greco Design	\$42,600	35
Bergkvist Construction	\$45,000	28
Hadi Construction	\$87,000	40
Los Al Builders	\$112,000	60

The PPC unanimously recommended John Bergkvist General Contractors to complete the project for \$45,000. Reserves in the amount of \$12,850 have been allocated in the Reserve account and fully funded in 2015 (bid included in agenda packet).

The Finance Committee, at its January 18, 2016 meeting, reviewed the request and has determined adequate funds exists within the GRF Reserves for this replacement.

Mr. Lukoff MOVED, seconded by Ms. Rapp -

TO approve a contract to complete the Security Restroom Upgrades with John Bergkvist General Contractors, for a cost not to exceed \$45,000, as per specifications dated November 18, 2015, with funds coming from the Reserve Account and authorize the President to sign the contract.

Two Board Members and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Rescind Previous Board Action/Approve Replacement of Wall Sections L & M

At the regular scheduled meeting of the Physical Properties Committee, on January 6, 2016, the Committee reviewed and discussed various options for the replacement of wall sections L and M (approximately 2,900 linear feet).

1. Remove and replace the wall in its current location
 - a. Removal and replace cost generally estimated at \$791,670
 - b. Estimated cost does not include landscaping
2. Move the wall to the furthest extent possible (Committee action of 11-14-14 and Board action of 11-25-14)
 - a. Removal, replacement and extras generally estimated at \$1,265,339
 - b. Estimated cost does not include landscaping (plans, permits, grading, drainage and plants/trees)
 - c. Estimated cost does not include reconfiguration and/or use of property now within the wall
3. Removal and replacement of the wall at some other distance between the current location and the property line
 - a. Removal, replacement and extras generally estimated at \$1,264, 339 +/-
 - b. Estimated cost does not include landscaping (plans, permits, grading, drainage and plants/trees)
 - c. Estimated cost does not include reconfiguration and/or use of property now within the wall

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

1. **TO** rescind the GRF Board's action on November 25, 2014:

To move forward with planning and research to relocate the wall sections L & M as close to Trust Property line as possible, based upon existing site conditions.

2. **TO** approve the replacement of wall section L & M in its current location and instruct the Physical Properties Committee to bring to the Board, at the earliest possible opportunity, a recommendation of costs to replace the wall by a qualified contractor through a competitive bidding process.

Eight Board Members and the Executive Director spoke on the motion.

Mrs. Damoci MOVED, seconded by Ms. Rapp -

TO direct the Physical Properties Committee to obtain two bids for replacement of wall sections L & M; one bid to include the removal of dirt and regrading on the outside of the wall in order that the wall will be of uniform height both inside and outside and one bid without dirt removal and regrading.

The motion to amend the main motion carried with nine yes votes (Bolton, Damoci, Friedman, Greer, Rapp, Reed, Snowden, R. Stone and Wood).

The amended main motion was carried unanimously by the Board members present.

Publications Committee

Amend Policies

At the regular scheduled meeting of the Publications Committee, on January 14, 2016, the Committee reviewed various publication-related policies.

The Chair of the Publications Committee requested the removal of Policy 4191-20, Commissions, from inclusion in the motion pertaining to the various publication-related policies.

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

TO adopt and/or amend the following policies in order to update, clarify and reflect current practices:

Policy 2810-36, Community Submissions
Policy 2811-36, Golden Rain News Coverage of Candidates
Running for Public Office
Policy 2825-36, Special Columns
Adopt Procedure 2840.1-36, Subscriptions Procedure
Policy 2840.2-36, Deadlines
Policy 2840.3-36, Delivery and Subscriptions
Policy 2840.4-36, News Stories
Policy 2840.6, Obituaries
Policy 2840.7-36, News Photos
Policy 2840.8-36, News Coverage
Policy 2840.9-36, Collection Point
Policy 2850-36, Advertising Commissions

Policy 2851-36, Advertising
Policy 2860-36, Advertising Rates
Policy 2861-36, Advertising for Estate and Patio Sales

Recreation Committee

Policy Variance, City Expo

At the regular scheduled meeting of the Recreation Committee, on January 11, 2016, the Committee reviewed and discussed a request from the Executive Director for a variance to Policy 1403-50, Commercial Use.

Policy 1403-50, states "...The Community recreational facilities are to be maintained and preserved for the social and recreational benefit and activities of all Shareholder/Members..." The Policy further states "...Commercial use is strictly prohibited...unless an exemption is granted by action of the GRF Board of Directors..."

The Executive Director respectfully requested of the Committee the variance to policy for the chamber merchants presenting their wares, goods and merchandise, at the City Expo, be allowed to sell their wares, goods and merchandise; the Committee unanimously agreed that the sale of such items would be consistent with the items sold at the community's farmer's market. The Committee was specific: no business services were to be sold on Trust property.

Additionally, it was the unanimous approval of the Committee that the City Expo was a sanctioned event of the Recreation Committee.

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

TO approve a variance to Policy 1403-50, Commercial Use, to allow members of the City of Seal Beach Chamber of Commerce to sell wares, goods and merchandise at the annual GRF City Expo recreation event. The Executive Director shall present to the Recreation Committee, prior to the City Expo, a list of all Chamber Merchants and note which Chamber Members will be possibly selling their wares, goods and merchandise.

Four Board Members and the Executive Director spoke on the issue.

Mrs. Damoci MOVED, seconded by Ms. Rapp –

TO direct the Recreation Committee to review the list of City Expo vendors to determine if there are any services that should not be sold at the City Expo.

Seven Board Members and the Executive Director spoke on the amendment to the main motion.

The amendment to the main motion failed with eight no votes (Bolton, Friedman, Lukoff, Moore, Reed, Snowden, Winkler, and Wood).

The main motion was carried unanimously by the Board members present.

Policy Variance, Meeting Room Usage

At the regular scheduled meeting of the Recreation Committee, on January 11, 2016, the Committee reviewed and discussed a request from the Executive Director for a variance to Policy 1403-50, Commercial Use.

The Executive Director respectfully requested of the Committee variance to the policy: to hold the monthly Chamber of Commerce of Seal Beach Outreach Committee meetings upon Trust Property (Physical Properties Conference Room or Administration Conference Room), strictly provided that such meetings do not conflict with any other room reservation by GRF and/or Mutual Board requirements.

It was the unanimous approval of the Committee to recommend to the Board approval of the variance to policy.

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

TO approve a variance to Policy 1403-50, Commercial Use, to allow the use of the Physical Properties or Administration Conference Room on an as needed basis, provided there exists no conflict in reservations by any GRF and/or Mutual Board function, for the purpose of holding a Chamber Outreach Committee meeting. A GRF Board Member and/or the GRF Executive Director must be in attendance.

One Board Member and the Executive Director spoke on the motion.

The motion was carried unanimously by the Board members present.

Security, Bus & Traffic Committee

Enforcement of C.V.C. 22500.1 by Seal Beach Police Department

At the regular scheduled meeting of the Security, Bus, and Traffic Committee on September 9, 2015, the Committee reviewed concerns regarding parking in designated fire lanes on GRF Trust Property.

Section 22500.1 (provided in agenda packet) of the California Vehicle Code (C.V.C.) prohibits the stopping, standing, and parking of vehicles in designated fire lanes on public and private property. The intent is to ensure public safety by keeping areas designated for fire department access clear at all times.

Based upon ongoing concerns in reference to enforcement, the Seal Beach Police Department (SBPD) advised that enforcement of 22500.1 would be possible by SBPD if a written request is received from the Foundation.

Violations issued by the SBPD could carry monetary fines, will incur late fees if not paid on time, and may be added to the violator's vehicle registration costs if they fail to pay the violation. The appeal process is handled by the City of Seal Beach. There is no cost to the Foundation.

The Committee duly moved and approved that a written request (letter provided in agenda packet) be submitted to the SBPD requesting enforcement of California Vehicle Code Section 22500.1 Fire Lane Violations on GRF Trust Property.

Mr. McGuigan MOVED, Mr. Moore seconded -

TO approve the President to sign the attached written request (provided in agenda packet), to the Seal Beach Police, requesting enforcement of California Vehicle Code Section 22500.1 (provided in agenda packet) Fire Lane Violations on GRF Trust Property.

Eight Board Members, the Executive Director and the Security Chief spoke on the motion.

Mr. Lukoff called the question, seconded by Mr. Bolton and carried unanimously by the Board Members present.

The motion carried with one no vote (Snowden).

CONTROLLER'S REPORT

The Controller's report was presented.

EXECUTIVE DIRECTOR'S REPORT

A printed copy of the Executive Director's report was provided to the Board Members. The Executive Director reminded the Board and shareholder/members that Long Beach Animal Control will be in the community, in the next few weeks, to enforce the dog licensing ordinance.

BOARD MEMBER COMMENTS

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

PRESIDENT:

The President thanked the Vice President for presiding on behalf of the President at numerous meetings.

ADJOURNMENT

The meeting was adjourned at 12:31 p.m.



Joy Reed, Corporate Secretary
GRF Board of Directors
dfb 01/26/16