

A G E N D A
SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TEN
May 15, 2017
(Meeting begins 2:30 p.m., Building 5, Conference Room B)

1. CALL TO ORDER
2. BOARD ROOM DECORUM
3. ROLL CALL
4. INTRODUCTION OF STAFF:
 Mr. Black, Building Inspector
 Ms. Fernandez, Mutual Administration Manager
 Mrs. Aquino, Recording Secretary
5. SHAREHOLDER(S)' COMMENTS (limited to 3 minutes per shareholder)
6. UNFINISHED BUSINESS –
 - a. Ratify Policy 7405.10 – Flooring and Floor Covering Permits [pages 2-3]
 - b. Ratify Policy 7210.10 – Elections – (Mutual Ten Only) [pages 4-6]
 - c. Ratify Rescinded Policy 7512 – Guarantor Agreement Form [pages 7-8]
7. NEW BUSINESS –
 - a. Fenn contract [pages 9-11]
 - b. Reserve Study
 - c. LED Light Bulbs [page 12]
 - d. Annual Shareholders' Meeting – Wednesday, May 17, 2017
 - e. May 24 Board Meeting
 - f. Shareholder statement of Intent to Vote Ballot Cumulatively
 - g. 2018 Budget Planning Projects [page 13]

Ms. Fernandez

STAFF SECRETARY BREAK (TIME TO BE DETERMINED BY PRESIDENT)

8. BUILDING INSPECTOR –
 - a. Permit Activity
 - b. Escrow Activity
 - c. Contracts & Projects
 - Roofing Project Update
 - Waterline Project Update
 - d. Shareholder & Mutual Requests
9. ADJOURNMENT

Mr. Black

NEXT MEETING: ANNUAL SHAREHOLDERS' MEETING, MAY 17, 2017,
AT 10:00 AM IN CLUBHOUSE 4

NEXT REGULAR BOARD MEETING: WEDNESDAY, JUNE 28, 2017,
AT 9:00 A.M. IN THE MUTUAL ADMINISTRATION BUILDING
CONFERENCE ROOM A

STAFF SECRETARY WILL LEAVE THE MEETING BY 4:10 P.M.

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Flooring and Floor Covering Permits – Mutual Ten****Building Permit – to include all floor coverings**

Effective immediately, Mutual Ten **(10)** requires a GRF Building Permit for all floor covering, including carpet installed at shareholder expense. Both interior and patio/porch floor covering will require a GRF Building Permit, if original flooring is disturbed this will require all abatement procedures for asbestos. All testing reports and EPA/AQMD permits will be required as needed. Copies of permits and testing reports shall be filed with GRF flooring permit.

Reason for this requirement includes:

- Assurance that no asbestos contained material is removed or compromised.
- No Mutual property is damaged
- **Interior/exterior** ~~Patio/porch~~ flooring is appropriate ~~(for example, — if tile: non-skid rating if tile on patio and interior of the unit — nonskid, C.O.F. min. 6.0) ,and must meet DCOF current standards as suitable for all applications.~~
- Shareholder understands what is and what is not allowed
- Shareholder understands that Mutual Ten **(10)** is not responsible for damage to, or failure of, flooring purchased and installed by shareholders or their successor shareholders.

FURTHER, That this policy dated _____ 2017 be attached to the permit and signed by the shareholder and installer or contractor (see page 2).

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Flooring and Floor Covering Permits – Mutual Ten**

Shareholder Unit # _____ Shareholder Signature: _____

Printed Name: _____

Date: _____

Contractor/Installer Signature: _____ Date: _____

Printed Name: _____

Mutual Inspector Signature: _____ Date: _____

Printed Name: _____

MUTUAL ADOPTION:

TEN: (ratified date)

MUTUAL OPERATIONS**DRAFT POLICY****STOCKHOLDERS MEETINGS****Elections – Mutual Ten Only**

In accordance with State Law and the Mutual Bylaws, the following policy is established for the general election of directors to the Mutual Board of Directors. The general election of Mutual Ten is held every other year during odd numbered years. Directors' terms are for two years.

1. Candidates**a. Candidate Eligibility**

In accordance with the Mutual Bylaws, ~~all members in good standing are eligible to run for election to the Mutual Board of Directors. "Good Standing" means that the member is not delinquent in the payment of monthly or special assessments in an amount equal to or greater than one month's assessment for a period of time greater than 30 days.~~ **all candidates for election to the Mutual Ten Board of Directors must be shareholders of Mutual Ten and at least eighteen (18) years of age. Additionally no person may be a candidate if the person: (A) is delinquent by more than sixty (60) sixty days in the payment of any assessment levied by the Mutual Corporation; (B) has been declared of unsound mind by a final order of the court or has been convicted of a felony; or (C) is the Co-owner of a unit and another Co-owner of the unit is a candidate for the Board or already a member of the Board. With regard to Units owned in whole or part by an entity (e.g. a trust, partnership, corporation or limited liability), a "Co-owner" shall mean a trustee of such trust, partner of such partnership, an officer, director and/or shareholder of such corporation, or a member of the limited liability company, as the case may be**

b. Notification of Nominations for Election of Directors

The Mutual Board of Directors shall place a notice in the *Golden Rain News* and the Mutual laundry rooms not less than 90 days prior to the annual meeting that any member **shareholder** of the Mutual in good standing **who meets the candidate eligibility** may place their name into nomination for the election of directors.

c. Self-Nomination by Shareholders

Mutual members **shareholders** who wish to nominate themselves as a candidate for election to the Mutual Board of Directors must do so in writing not more than 90 days or less than 60 days prior to the annual meeting date.

d. Nominations from the Floor

MUTUAL OPERATIONS**DRAFT POLICY****STOCKHOLDERS MEETINGS****Elections – Mutual Ten Only**

Candidates may be nominated from the floor during the annual meeting. There is no provision in the Mutual Bylaws allowing for write-in candidates.

e. Equal Access to Clubhouse Facilities

Equal access to clubhouses shall be provided at no cost to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those who are not endorsed by the Mutual Board of Directors, for purposes reasonably related to the election. The clubhouses are subject to availability by reservation only on a first-come, first-serve basis.

f. Nominating Committee

The Mutual Board of Directors may appoint a Nominating Committee.

2. Election Materials

- a. The Golden Rain Foundation will provide a contracted vendor to assume all election services, including inspector(s) of election, who will be directed to conduct the election under current applicable codes.

3. Voting

a. Qualification for Voting

Votes may be cast by mutual members in good standing:

- 1) By ballot in person on the day of the annual meeting; or
- 2) By using the mail-in secret ballot.

b. Cumulative Voting

In accordance with the Mutual Bylaws, voting will be “cumulative.”

c. Voting by Secret Ballot

All ballots shall be prepared in a manner consistent with providing and ensuring that the member's vote will be by “secret ballot.”

4. Actions by Mutual Boards

- a. The Mutual may appoint observer(s) who may make their observations to the Mutual Board.

(draft created 2-17-17 ka)

MUTUAL OPERATIONS

DRAFT POLICY

STOCKHOLDERS MEETINGS

Elections – Mutual Ten Only

- b. The Mutual Board shall validate its own election.

MUTUAL ADOPTION

AMENDMENTS

TEN: 04-23-08

01-28-15

DRAFT

RESIDENT REGULATIONS

To: GOLDEN RAIN FOUNDATION and SEAL BEACH Mutual NO. _____
 a corporation a corporation
1661 Golden Rain Road
Seal Beach, California 90740

I, _____, the undersigned, hereinafter called "Guarantor," in order to induce you to enter into and permit the issuance by the Golden Rain Foundation of a membership certificate in the Golden Rain Foundation and the transfer and issuance of a share of stock in Seal Beach Mutual No. _____, hereinafter called "Mutual," to _____, hereinafter called "Stockholder," do hereby individually, jointly and severally, as the case may be, guarantee the performance by said "Stockholder" of all the terms and conditions of said Occupancy Agreement and the payment of all payments and monthly carrying charges under the terms and conditions recited in said Occupancy Agreement, or any renewals thereof, and the Guarantor further hereby individually, jointly and severally, as the case may be, undertakes to and does agree to indemnify and hold you and your successors and assigns harmless from and against any and all liability, loss, damage or expense including counsel fees which you may incur or sustain by reason of the failure of said "Stockholder" to fully perform and comply with the terms and obligations of membership in the Golden Rain Foundation, the Occupancy Agreement, and the purchase of share of stock in Seal Beach Mutual No. _____.

This guarantee is absolute and complete and shall extend to and cover any and all forms of indebtedness and liability on the part of the said "Stockholder" to the Golden Rain Foundation and/or "Mutual" heretofore accrued or hereafter accruing or arising from the issuance of said membership in the Golden Rain Foundation, said share of stock in "Mutual" and said Occupancy Agreement, and shall extend to any indebtedness of said "Stockholder" to such corporations, and said guarantee shall be a continuing guarantee and no notice of any indebtedness already or hereafter contracted or renewed need be given to the Guarantor or any of them. The Guarantors hereby expressly waive presentment, demand, protest, and notice of protest on any and all forms of indebtedness and also waive notice of the acceptance of this guarantee. Acceptance on the part of the said corporations being conclusively presumed by its request for this guarantee and delivery of the same to it.

Each of the undersigned acknowledges that this guarantee is operative and binding without reference to whether it is signed by any other person or persons. The undersigned all acknowledged that this guarantee is not subject to revocation by the undersigned and pertains to and applies to all monthly carrying charges and payments under the said Occupancy Agreement and said certificates as hereinabove referred to for so long as the said (Mar 17)

MUTUAL OPERATIONS**RESCIND ALL MUTUALS****RESIDENT REGULATIONS****Guarantor Agreement Form**

"Stockholder" and/or his or her estate shall hold stock in said corporation.

GOLDEN RAIN FOUNDATION
a corporation

By _____

GUARANTOR

SEAL BEACH MUTUAL NO. _____
a corporation

GUARANTOR

By _____

Dated _____

GRB

Approved: 18 Dec 73

(Mar 17)

Page 2 of 2



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

MUTUAL ACTION REQUEST

TO: ALL MUTUALS
FROM: MARK WEAVER FACILITIES DIRECTOR
SUBJECT: PEST/TERMITE PROPOSAL
DATE: APRIL 25, 2017
CC: FILE

Fenn Termite and Pest Control has submitted a proposal for a new three-year contract (see information exhibit A attached) that includes an annual termite inspection and report, along with the localized treatment of all accessible areas. The first column represents the cost of the previous three-year term with Fenn. The second column is the proposed cost for 2017-2019, and represents an increase of approximately 17% over the three-year period. The information below the proposed cost are the bids received during the last term. One contractor's cost was 4% more three years ago, and the other two contractors' cost shows increase of over 60%. The costs were also requested for repetitious areas of treatment (see exhibit B), and compared to the previous term. Most of the costs have not changed, however, residential, laundry room, outside building, and attic treatments have a slight increase. These costs are extra, or as needed, outside the contract.

It is staff's recommendation to approve a three-year contract with Fenn Termite and Pest Control for an annual termite inspection and report, along with the localized treatment of all accessible areas, and approve the as needed cost, when authorized by the Mutual, as called out in exhibit B

EXHIBIT A

MUTUALS - Pest Control

Termite local treatment

	2014-2017	2017-2019		
M-1	\$ 32,329.41	\$38,823.00	17%	increase
M-2	\$ 33,095.58	\$39,750.00	17%	increase
M-3	\$ 16,547.76	\$19,872.00	17%	increase
M-4	\$ 15,168.78	\$18,216.00	17%	increase
M-5	\$ 18,846.06	\$22,632.00	17%	increase
M-6	\$ 15,628.44	\$18,768.00	17%	increase
M-7	\$ 14,709.12	\$17,664.00	17%	increase
m-8	\$ 13,330.14	\$16,008.00	17%	increase
M-9	\$ 14,709.12	\$17,664.00	17%	increase
M-10	\$ 10,572.18	\$12,696.00	17%	increase
M-11	\$ 11,951.16	\$14,352.00	17%	increase
M-12	\$ 17,313.78	\$20,811.00	17%	increase
M-14	\$ 12,563.88	\$15,108.00	17%	increase
M-15	\$ 19,229.34	\$23,109.00	17%	increase
M-16	\$ 2,298.30	\$2,760.00	17%	increase
M-17	\$ 4,826.43	\$5,805.00	17%	increase
	\$ 253,119.48	\$ 304,038.00	17%	increase

MUTUALS - Pest Control

Termite local treatment

	Newport Exterminating 2014-2017	Orange County Pest Control 2014-2017	Roadrunner Exterminating 2014-2017
M-1	\$ 33,760.00	\$142,636.00	\$84,400.00
M-2	\$ 34,560.00	\$146,016.00	\$86,400.00
M-3	\$ 17,280.00	\$73,008.00	\$43,200.00
M-4	\$ 15,840.00	\$66,924.00	\$39,600.00
M-5	\$ 19,680.00	\$83,148.00	\$49,200.00
M-6	\$ 16,320.00	\$68,952.00	\$40,800.00
M-7	\$ 15,360.00	\$64,896.00	\$38,400.00
m-8	\$ 13,920.00	\$58,812.00	\$34,800.00
M-9	\$ 15,360.00	\$64,896.00	\$38,400.00
M-10	\$ 11,040.00	\$46,644.00	\$27,600.00
M-11	\$ 12,480.00	\$52,728.00	\$31,200.00
M-12	\$ 18,080.00	\$76,388.00	\$45,200.00
M-14	\$ 13,120.00	\$55,432.00	\$32,800.00
M-15	\$ 20,080.00	\$84,838.00	\$50,200.00
M-16	\$ 2,400.00	\$10,140.00	\$6,000.00
M-17	\$ 5,040.00	\$21,294.00	\$12,000.00
	\$ 264,320.00	\$ 1,116,752.00	\$ 660,200.00

\$ 11,200.52 \$ 863,632.52 \$ 407,080.52
 4% 77% 62%
 more more more
 than Fenn than Fenn than Fenn

EXHIBIT B

FENN Cost Comparisons - Termite and Pest Control for GRF

2014-2017

2017-2019

MONTHLY COSTS

Treatment - Residential unit interior, includes patio	\$ 13.00	\$ 15.00	13%	increase
Treatment - laundry room interior	\$ 6.00	\$ 8.00	25%	increase
Treatment - building outside perimeter	\$ 37.00	\$ 40.00	8%	increase
Treatment - attics	\$ 35.00	\$ 45.00	22%	increase
Spraying of carport building	\$ 40.00	\$ 40.00	0%	same
mites	\$ 45.00	\$ 45.00	0%	same
wasps	\$ 15.00	\$ 15.00	0%	same
bees	\$ 130.00	\$ 130.00	0%	same
bedbugs (2 bdrm)	\$ 1,550.00		#DIV/0!	
monthly cost of mice/rat bait station maintenance	\$ 2.50	\$ 2.50	0%	same
cost of mice/rat bait station install	\$ 22.00	\$ 22.00	0%	same
bird best removal from patios	\$ 17.00	\$ 17.00	0%	same
extermination/trapping of gophers	\$ 20.00	\$ 20.00	0%	same
emergency call	\$ 45.00	\$ -	#DIV/0!	

Draft Motion for Mutual Lighting

Motion:

Resolved, that in the event of failure of a lighting ballast to the original bedroom /den soffit and kitchen light fixtures, a standard LED light fixture (supplied by the purchasing department) shall be installed at the mutual cost.



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: RANDY ANKENY, EXECUTIVE DIRECTOR
SUBJECT: 2018 BUDGET PLANNING, PROJECTS
DATE: MAY 4, 2017
CC: FILE

We will be beginning our 2018 budget process in June, in order to insure we have appropriate staffing levels to serve your Mutual needs, by July 28, 2017, I respectfully request an estimate of major projects (roofing, re-piping, sewer etc.) your Mutual is considering for the remainder of 2017 as well as activity planning for 2018.

With your Board approval, I would like to request this as an agenda item for your May/June meeting, as well as your July Board meeting, to allow time for your review and consideration by both your existing Board, as well as the newly elected Board.

I sincerely thank each Board in advance, as the information provided is critical to ensure proper levels of services to your Mutual.