

MINUTES

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, AUGUST 25, 2011, AT 9:00 A.M.

A regular meeting of the Board of Directors of the Golden Rain Foundation (GRF) of Walnut Creek was convened by the President, Susan Williamson, at 9:00 a.m. on Thursday, August 25, 2011, in Peacock Hall at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Susan Williamson, Barbara S. Jordan, Kenneth W. Haley, Attendance
Rita A. Fredlund, James W. Giffin, Donald J. Liddle, Melvin
N. Wall, Clair S. Weenig, and Warren T. Salmons, Chief
Executive Officer (CEO), ex-officio member of the Board

Excused: Donald A. Peterson

Also present were Joan (Jo) Jones, Chairman, Aquatics Advisory Committee; David H. Smith, Chairman, Finance Committee; Carol A. Green, Chairman, Fitness Center Advisory Committee; Michael P. Fleck, Chairman, Golf Advisory Committee; Richard S. Chakoff, Chief Financial Officer; Paul J. Donner, Director, Mutual and Trust Operations; Anthony W. Grafals, General Counsel and Director of Confidential Services; Mark K. Heptig, Director, Golf Courses/Golf Professional; Jeffrey P. Matheson, Director, Resident Services; Paulette L. Jones, Senior Manager, Executive Services; Maureen A. O'Rourke, Senior Manager, and Wilma Murray, Staff Writer, Communications Department; Judith A. Perkins, Senior Manager, Human Resources; Dennis Bell, Public Safety Coordinator; and Susan F. Ritner, Program Manager, and George Ivanov, Program Assistant, Rossmoor Television Channel; and Ryan Carroll, Custodian/AV Technician, Custodial Department.

A motion was made by Mr. Weenig, seconded by Ms. Jordan, and CARRIED Minutes
UNANIMOUSLY to approve the minutes of the regular meeting of the Board Approved
held on July 28, 2011, as written.

Mr. Haley gave the Treasurer's report for the period ending July 31, 2011. The report Treasurer's
was included in the agenda package. Report

The CEO reviewed his written report dated August 17, 2011, which included the CEO's
manor sales report for the period ending July 31, 2011, and as of August 17th. The Report
report was included in the agenda package.

During the Residents' Forum, Kathleen Solaris spoke in favor of saving Dollar Residents'
Clubhouse and then commented on matters related to the proposed Event Center. Forum

Philip Wesler spoke about the rental income from the Medical Center going to the Trust Fund.

Jane B. Viator commented on the deteriorating conditions of Dollar and Hillside Clubhouses and asked the Board to prioritize and take care of the facilities Rossmoor already has before building an Event Center. She also asked the Board to take the time to consider a remodeled Hillside as an alternative to building an Event Center.

Rose M. Kirkpatrick said the proposed Event Center is a big mistake and doesn't make sense because there are so many possibilities with the facilities Rossmoor already has.

Hugh M. Grey said he would like to see the Trust Agreement revised to include the residents as the beneficiaries and suggested that the Trust Agreement be revised to include the following language: "The beneficiaries of this Trust shall be the Mutuals (Common Interest Developments) and their Members."

Robert C. Dickson said building the Event Center would be a tragedy and asked his District F Board member, Mr. Peterson, and the other members of the Board to go door-to-door to hear and understand all the reasons Rossmoor's many residents again object to the Event Center being built on the Dollar Clubhouse grounds.

Karen B. Perkins commented on the CEO's recent article in the Rossmoor News regarding the history of the Event Center, saying the wording of the article was demeaning and condescending to residents.

The President called on Mr. Weenig who asked to speak to the Board and the audience because he was unable to attend the last Board meeting due to the birth of his grandson. Mr. Weenig then explained his thoughts and position regarding the Event Center, the most poignant issue discussed at that meeting, and commented on the controversy about it. In concluding, he said he remains in favor of the Event Center, and were he at the July meeting, he would have cast his vote supporting the motion to move forward with the Event Center. A copy of Mr. Weenig's written statement is on file with the minutes.

C. Weenig's
Address re.
Event
Center

Mrs. Jones, Chairman of the Aquatics Advisory Committee, said the report of the Committee's August meeting was included in the agenda package. She then highlighted items in the report, noting that in July there were 5,617 visits to Del Valle, 1,751 visits to Dollar pool, and 2,958 visits to Hillside pool.

AAC
Report

The Chairman of the Audit Committee, Mr. Solloway, said the report of the Committee's July meeting was included in the agenda package. He then highlighted items in the report, noting that the Committee recommended that all persons serving on GRF committees be required to complete a Conflict of Interest Policy Disclosure Form to assure that the advice the GRF Board receives from such committees is as

Audit
Committee
Report

objective and independent as possible and that the matter be referred to the Policy Committee for consideration and recommendation to the Board. There being no objections, the President referred the matter to the Policy Committee for consideration and recommendation to the Board.

Mr. Smith, Chairman of the Finance Committee, said the Board should have received the report of the Committee's August meeting, which was distributed to the members of the Board and is on file. He then noted a correction to the report; namely, that all Board members, with the exception of one, attended the meeting. He concluded by commenting on the Committee's recommendation that the Board adopt Guidelines to Differentiate GRF Trust Revenues and Expenses from Operating Revenues and Expenses. There being no objection, the President referred the recommendation to the Policy Committee for consideration and recommendation to the Board.

Finance
Committee
Report

The Chairman of the Fitness Center Advisory Committee, Ms. Green, said the report of the Committee's August meeting was included in the agenda package. She then highlighted items in the report, noting that there were 11,969 visits to the Fitness Center in July, including 203 guests and 105 caregivers. There were also 1,008 visits to pool classes taught by Fitness Center staff in June. She also noted that there were 552 visits to the Fitness Center's website in June. Discussion followed.

FCAC
Report

Mr. Fleck, Chairman of the Golf Advisory Committee, said that the report of the Committee's August meeting was included in the agenda package. He then commented on an alternative plan for the Event Center, which was to locate the Event Center on the south side of Gateway Complex between the second and sixth greens, which would take up some of the space on the Creekside nine-hole course and require reconstructing the course. He elaborated on the matter and said it should have the benefit of a thorough review prior to the Committee's September meeting. Discussion followed.

GAC
Report

The Chairman of the Policy Committee, Mrs. Fredlund, summarized the report of the Committee's August meeting, which was included in the agenda package.

Policy
Committee
Report

A motion was made by Mrs. Fredlund and seconded by Mr. Liddle to approve a proposal for geotechnical services for the Creekside Events Building Project by Rockridge Geotechnical for a cost of \$17,450, plus a contingency of up to \$3,490 paid from the Trust Estate Fund (agenda attachment 10a-2 through 10a-8) and to authorize the CEO to execute a standard Professional Services Agreement with Rockridge Geotechnical on behalf of the Golden Rain Foundation. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Ms. Jordan and Mr. Wall voting no.

Approved
Proposal
for Geo-
technical
Services
for Events
Building
Project

The President called on Mr. Matheson who presented an update on the Buckeye Tennis Court expansion project and expanded parking option (agenda attachment 10b-1 through 10b-4). Discussion followed. This was an informational item and no Board action required.

Update on
Buckeye
Tennis
Court Project

A motion was made by Mr. Giffin and seconded by Mr. Weenig to approve the development of a water well to augment the golf course water supply, including: 1) drilling of a test well costing approximately \$14,200; 2) completion of a permanent well at a cost of \$7,100, plus approximately \$6,100 for the pump and installation, plus a contingency of up to \$15,000 for ancillary work such as electrical, piping, landscaping, turf repair, fencing, etc., if an adequate water supply is proven by the test well; or 3) abandonment of the test well at a cost of approximately \$1,500 if adequate water is not proven by the test well; and to authorize a total project budget of up to \$42,400 to be paid from the Trust Estate Fund and to authorize the CEO to execute the necessary contract with Weeks Drilling & Pump Company and other agreements as may be necessary to complete this project. Following discussion, the vote on the motion was taken, and the motion CARRIED, with Mr. Wall voting no.

Approved
Development
of Water
Well to
Augment
Golf Course
Water
Supply

The President called on the CEO who introduced discussion regarding the proposal to install a digital video surveillance system for the front Gateway parking lot.

A motion was made by Mr. Weenig and seconded by Mr. Liddle to approve an expenditure not to exceed \$9,790, which includes a 10% contingency, as an addition to the 2011 capital equipment list, paid from the Trust Estate Fund for the installation of a digital video surveillance system for the front Gateway parking lot and to authorize the CEO to execute the necessary contract for the project. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Approved
Funds for
Installation
of Digital
Video Sur-
veillance
System

A motion was made by Mrs. Fredlund, seconded by Ms. Jordan, and CARRIED UNANIMOUSLY to approve the new Management Agreements, as prepared by GRF General Counsel Tony Grafals, designating the Golden Rain Foundation as managing agent for Second Walnut Creek Mutual, Fifth Walnut Creek Mutual, Mutual 28, Mutual 59, and Mutual 65, and to authorize the CEO to execute the Agreements on behalf of the GRF.

Approved
New Man-
agement
Agreements

A motion was made by Mrs. Fredlund, seconded by Mr. Weenig, and CARRIED UNANIMOUSLY to authorize the CEO to renew an agreement with Commercial Energy of California for the purchase of natural gas (agenda attachment 10f-3 through 10f-5).

Authorized
CEO to
Renew
Agreement for
Purchase of
Natural Gas

Before concluding, the President announced that the next meeting of the Board will be held on Tuesday, September 13, and Wednesday, September 14, 2011, at 9:00

Announce-
ments

a.m. in the Fireside Room at Gateway Complex. The Board will meet with the Finance Committee to hear the presentation of the proposed GRF Operations Budget for 2012. She then announced that the next end-of-the month regular meeting of the Board will be held on **Wednesday**, September 28, 2011, at 9:00 a.m. in Peacock Hall at Gateway Complex; and that the Board will meet in executive session following this meeting to discuss a contract matter.

There being no further business to come before the Board, the meeting was recessed at 10:58 a.m. and reconvened in executive session at 11:15 a.m. in the Board Room.

Recess



Barbara S. Jordan, Secretary
Golden Rain Foundation of Walnut Creek

pj