

A regular meeting of the Board of Directors of the Golden Rain Foundation of Walnut Creek will be held in Peacock Hall at Gateway Complex commencing at 9:00 a.m. on Thursday, April 26, 2018. The agenda for the meeting is listed below. It is sometimes necessary to add agenda items for consideration by the Board after the agenda has been prepared and distributed. These items will be described in the agenda available at the Board meeting. Regular meetings of the Board of Directors are open, and comments from residents are always welcome during the Residents' Forum.

A G E N D A

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, APRIL 26, 2018, AT 9:00 A.M.

1. MEETING CALLED TO ORDER: Geraldine Pyle, President
2. ROLL CALL: Pyle (G), Roath (F), Kelso (D), Neff (H), Adams (A), Birdsall (I), Brown (B), Coenen (E), Fredlund (C), and O'Keefe, ex-officio member
3. APPROVAL OF MINUTES: Regular meeting of March 29, 2018 (Attachment) **Page 1**
4. UPDATE FROM CINDY SILVA, WALNUT CREEK CITY COUNCIL MEMBER AND THE CITY'S LIAISON TO ROSSMOOR.
5. TREASURER'S REPORT (Attachment) **Page 5**
6. CHIEF EXECUTIVE OFFICER'S REPORT (Attachment) **Page 6**
7. RESIDENTS' FORUM
8. RESIDENT MEMBER COMMITTEE REPORTS
 - a. Aquatics Advisory – Brian K. Stack, Chairman (Attachment) **Page 10**
 - b. Audit – Paul Rosenzweig, Chairman (Attachment) **Page 11**
 - 1) Consider recommendation that the Board accept the audited financial statement report for the year ended December 31, 2017, as submitted by the Foundation's independent audit firm, Burr Pilger Mayer. (Attachment) **Page 12**

- c. Finance – F. William Dorband, Vice Chairman
 - 1) Approve, as recommended by the Finance Committee, borrowing a total of \$6.1 million from the Mechanics Bank line of credit to complete the renovation of the Tice Creek Fitness Center. (Attachment) **Page 37**
- d. Fitness Advisory – Claudia Tierney, Chairman (Attachment) **Page 38**
 - 1) Consider funding for additional items to be completed at the Tice Creek Fitness Center as recommended by the Fitness Advisory and Aquatics Advisory Committees. (Attachment) **Page 42**
- e. Golf Advisory – John McDonnell, Chairman (Attachment) **Page 48**

9. BOARD COMMITTEE REPORTS

- a. Compensation – Stephen D. Roath, Chairman (Attachment) **Page 56**
- b. Planning – Leslie Birdsall, Chairman (Attachment) **Page 58**

10. UNFINISHED BUSINESS

11. NEW BUSINESS

- a. Review Water Reclamation Facility Opportunities and Constraints Analysis and consider whether to advance to the next steps in water reclamation. (Attachment) **Page 60**
- b. Consider authorizing the CEO to execute an agreement with PSM Architects, Inc., to complete the design and construction documents for the renovation of the workshops at Gateway Clubhouse in an amount not to exceed \$83,000, which includes a contingency, to be paid from the Trust Estate Fund. (Attachment) **Page 89**
- c. Consider approving an expenditure up to \$13,000 from the Trust Estate Fund and authorizing the CEO to execute a contract with Red Cloud Wireless Voice and Data to replace two radio repeaters that assist with staff two-way radio communication. (Attachment) **Page 109**

12. ANNOUNCEMENTS

- a. There will not be a mid-month regular meeting of the Board in May.
- b. The Fifty-Fourth Annual Meeting of Members of the GRF will be held on Monday, May 14, 2018, at 9:30 a.m. in Peacock Hall at Gateway Complex. An organizational meeting of the Board will be convened following the Annual Meeting.
- c. The next end-of-the month regular meeting of the Board will be held on Thursday, May 31 2018, at 9:00 a.m. in Peacock Hall at Gateway Complex.

13. EXECUTIVE SESSION

- a. There will be an executive session of the Board following this meeting to discuss legal and personnel matters and any other appropriate business.

14. RECESS

pj

MINUTES

GOLDEN RAIN FOUNDATION OF WALNUT CREEK

REGULAR MEETING OF THE BOARD OF DIRECTORS
THURSDAY, MARCH 29, 2018, 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, Geraldine Pyle, at 9:00 a.m. on Thursday, March 29, 2018, in the Board Room at Gateway Complex, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Geraldine Pyle, Stephen D. Roath, Robert D. Kelso, Mary K. Neff, Sue DiMaggio Adams, Leslie Birdsall, Carl W. Brown, and Timothy O'Keefe, Chief Executive Officer (CEO), ex-officio member of the Board

Attendance

Excused: Melvin C. Fredlund

There being no corrections, the minutes of the regular meetings of the Board held on February 22 and March 13, 2018, were approved, as written, by unanimous consent.

Minutes
Approved

A motion was made by Mr. Kelso, seconded by Mr. Roath, and CARRIED UNANIMOUSLY to approve the appointment of Barbara Coenen to the GRF Board as the District E Director, effective immediately, to fill the vacancy on the Board created by the death of Mary Lou Delpech and to serve until May 14, 2018. Ms. Coenen then took her seat at the head table.

B. Coenen
Appointed
District E
Director

Mary Neff gave the Treasurer's report for the period ending February 28, 2018.

Treasurer's
Report/
CEO's
Report

The CEO reviewed his written report dated March 22, 2018.

During the Residents' Forum, Wendy Robertson and then Jill Woolums, Barbara Hammond, Mary Jean Kidd, Loretta Rodgers, and Joan Baggett requested that residents be given access to the Pilates Studio and its equipment in the renovated Tice Creek Fitness Center, which is currently kept locked for restrictive usage. Jeff Matheson, Director of Resident Services, was called on and addressed the issue. He then invited residents to attend the April 11th meeting of the Fitness Center Advisory Committee at which a policy for use of the Pilates Studio will be discussed.

Residents'
Forum

Ted Bentley, speaking on behalf of the Rossmoor Pickleball Club and the Pickleball Facility Committee, thanked the Board for all it has done to help the Club become one of the largest and most successful clubs in Rossmoor. He then commented on the growth of the Club, which started in 2009 with 6 members and, as of today, has 368 members.

Helen Rees, an owner of a manor on 3222 Rossmoor Parkway where a fire

occurred in September 2017, introduced the other manor owners on 3222 Rossmoor Parkway effected by the fire, expressed concerns about the projected completion date of repairing the building, and asked if the Board could help them speed up the City of Walnut Creek permitting process.

Martela Beck and then Jan Howard expressed their concerns about the locker rooms at the renovated Tice Creek Fitness Center and suggested some improvements.

Clair Weenig expressed his congratulations and appreciation to all involved in the renovated Tice Creek Fitness Center, which, in his opinion, is far superior to other fitness centers he belonged to.

Gerald Priebat referred to the proposal to provide on-demand bus service and urged the Board to keep the current scheduled bus system.

Daryl Svoboda and then Gay White and Kerin Baker asked the Board to consider creating an exception to Policy 304.1, Guest Usage Policy, to allow non-resident members of the two Tap Dance Clubs (Happy Hoofers and Hot Flashers) to attend club events at the Fitness Center and be exempt from paying the guest use fee.

Nancy Cook asked that residents be allowed to use the reformers in the Pilates Studio.

John H. Nutley talked about renovating Hillside Clubhouse, posing several questions about the subject.

No one from the Aquatics Advisory Committee was present at the meeting to report on the Committee's March meeting.

In the absence of David Smith, Chairman, Finance Committee, the Committee's Vice Chairman, Bill Dorband, reported on the Committee's March meeting at which the Committee recommended that the Board could borrow up to a total of \$6.1 million from the Mechanics Bank line of credit to complete the renovation of the Tice Creek Fitness Center. Discussion followed.

Finance
Committee
Report

Claudia Tierney, Chairman, Fitness Center Advisory Committee, said that the Committee, at its March meeting, introduced the Fitness Center's preliminary new website, which was very well received. She then noted that the Committee's next meeting will be held on Thursday, April 11, at 9:30 a.m. in the Fairway Room at Creekside Complex. Discussion followed.

FCAC
Report

John McDonnell, Chairman, Golf Advisory Committee, pointed out that the golf financials are really strong, the weather is good, and the courses are in great shape. He then reported that the Committee took a field trip recently and looked at a couple of golf course improvements.

GAC
Report

Steve Roath, Chairman, Compensation Committee, reported on the Committee's March meeting at which the Committee discussed several aspects of the current compensation philosophy, the structure of the current compensation management system (CMS), and current and future compensation funding practices.

Compensation
Committee
Report

Leslie Birdsall, Chairman, Planning Committee, reporting on the Committee's March meeting, discussed some of the Committee's recommendations regarding traffic improvements and noted that the Committee is developing a selection criteria to prioritize potential major projects. Discussion followed.

Planning
Committee
Report

Bob Kelso, Chairman, Policy Committee, reported on the Committee's March meeting at which the Committee addressed issues that were brought to the Committee by the Finance Committee with respect to revising Policy 102.3, Allocation of Revenue and Expenses.

Policy
Committee
Report/
Approved
Temporarily
Grandfathering in
Nonresident Club
Members
so They
Don't Have
to Pay a
Fee/
Approved
Funds for
Electric
Vehicle
Charging
Stations/
Approved
Funds for
Street
Maintenance

A motion was made by Mr. Kelso and seconded by Ms. Adams to approve, on a temporary basis until the Fitness Center Advisory Committee and the Policy Committee have an opportunity to review it, grandfathering in existing nonresident club members so that they don't have to pay a fee when attending club events at the Fitness Center as long as they don't use other equipment, they get checked in manually, and they get armbands that signifies that they belong to a club. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Following introductory remarks by Jeff Matheson, a motion was made by Ms. Adams, seconded by Mr. Kelso, and CARRIED UNANIMOUSLY to approve \$55,000 from the Trust Estate Fund for three banks of ten electric vehicle charging stations and appropriate improvements.

A motion was made by Mr. Roath and seconded by Ms. Adams to approve an expenditure up to \$460,000 from the Trust Estate Fund and authorize the CEO to execute a contract with Silicon Valley Paving, Inc., for street maintenance. The President called on Paul Donner, Director of Mutual and Trust Operations, who discussed the project. Following further discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

The President called on the CEO, who discussed the background of and reviewed options for a process for conducting service level reviews. Discussion followed.

A motion was made by Mr. Birdsall and seconded by Ms. Adams to approve a process of conducting service level reviews by reviewing 1/3 of the departments/services/amenities annually so that by the end of a Board member's three-year term, they would have reviewed all departments/services/amenities. It is estimated that this could take at least 1-2 full days each year. Following discussion, the vote on the motion

Motion to
Approve
Process
for Conducting
Service
Level

FAILED, with Ms. Adams, Mr. Birdsall, and Mr. Roath voting yes.

A motion was made by Mr. Kelso and seconded by Ms. Adams to approve a process for conducting service level reviews by identifying annually which departments/services/amenities the Board wants to review in the next year. This review could occur all at once or be scattered over the course of the year. Following discussion, the vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Reviews
FAILED/
Approved
Process
for Con-
ducting
Service
Level
Reviews/
Establish-
ment of
Reserves
for Geo-
logic
Hazards

The President called on General Counsel Tony Grafals, who answered several questions posed by Director Kelso regarding the establishment of reserves for geologic hazards in Rossmoor. Due to the length of the meeting and there being no objections from the members of the Board, the President deferred the matter to the April 26th regular meeting of the Board for consideration. Mr. Grafals was asked to do a “deep dive” into setting up a GHAD and to be prepared for all manner of questions at that meeting.

Before concluding, the President announced that there will not be a mid-month regular meeting of the Board in April; that the next regular meeting of the Board will be held on Thursday, April 26, 2018, at 9:00 a.m. in Peacock Hall; and that there will be an executive session of the Board following this meeting to discuss legal and personnel matters and any other appropriate business.

Announce-
ments

There being no further business to come before the Board, the meeting was recessed at 11:57 a.m.

Recess

Robert D. Kelso, Secretary
Golden Rain Foundation of Walnut Creek

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Golden Rain Foundation, Inc.
Treasurer's Report
Board Meeting April 26, 2018

For the month of March, operating results were \$14,000 favorable to budget. Total revenues were under budget by \$38,000 and total expenses were under budget by \$52,000. Cumulative for the first three months of the year, revenues were under budget by \$21,000 and expenses were below budget by \$242,000, for a combined positive cumulative variance for the year of \$221,000. All amounts are rounded to the nearest thousand for this report.

Revenues:

The most significant variance from budget for the month was in golf revenues, which were \$27,000 under budget due to the number of rainy days in March. Year-to-date golf revenues are \$22,000 favorable to budget.

Expenses:

Expenses for March included the following variances from budget:

- Salaries and employee expenses were under budget by \$63,000 primarily due to a number of open positions and the Fitness Department manager position being outsourced.
- Professional/Legal services exceeded budget by \$27,000. Expenses for March included \$11,000 in attorney fees and the Fitness Department manager position that was included in the salary budget for 2018.
- Equipment repairs and maintenance were \$17,000 for the month but are within \$2,000 of budget year to date. Budgeted expenses are allocated evenly throughout the year whereas the actual expenses are incurred unevenly sporadically.

Trust Estate Fund

There were 46 membership fees generating \$414,000 as compared to 45 in 2017 that generated \$405,000. Total expenditures for the month were \$226,000 including \$35,000 for the electric charging stations, \$43,000 for machinery and equipment and \$144,000 in debt service.

April 18, 2018

CEO's Monthly Report

By Tim O'Keefe, CEO

Status Report Board Goals 2017-18

Each year, following the election of a new Board of Directors for the Golden Rain Foundation in May, the Board adopts goals for the upcoming Board year. The Goals report below marks the conclusion of the 2017-18 Board year:

Create plan for synchronization of GRF databases—

Problem: GRF uses separate databases to manage the diverse needs of the organization because there is not a software vendor offering a comprehensive solution that handles the variety of applications used in Rossmoor. The primary database is used to manage member records and financial data. Other databases are used for Recreation, Access Control, Security, Golf and Fitness Center management.

Goal: The Board recognized the challenge of managing an array of unlinked database applications and sought to minimize the manual effort needed to keep these systems linked.

Status: Staff researched comprehensive software solutions and could not find a single solution that universally met the needs of a majority of the departments. Staff then approached several software developers to create a software bridge link that would automatically synchronize all the databases. After reviewing our systems, all but one software developer has declined to bid. Staff is continuing to pursue other developers with the expectation that it will result in multiple bids. The Ad Hoc Technology Committee is also researching options.

LED lighting retrofit for streets and buildings & other energy efficiency projects—

Problem: Incandescent and fluorescent lights use significantly more energy than light emitting diodes (LED), which continue to evolve and have become more economical.

Goal: GRF could realize savings on utility bills if LED lighting was installed.

Status: Several resources have been engaged to begin research on options including our PG&E representatives, MCE representatives and the consultant working on the solar project. Working with MCE, we have installed several test LED lamps in parking lots and on Rossmoor Parkway to gauge light levels and any potential light spillage. LED lights project a brighter, whiter, light. The purpose of the test lights was to see if there was any negative feedback. Hearing none, two weeks ago, LED lights were installed throughout the Gateway parking lot.

LED street lights are very expensive. We will seek proposals for

changing out the street lights to evaluate savings and the return on investment. Rebates from PG&E and MCE will also be evaluated. Additional work on street light conversion will be done in the spring of 2018.

The conversion of lighting in clubhouse facilities has been done by staff and will continue to be done over the course of the next year and as renovation projects are completed. This past year, the lights in the Tice Creek pool area were all changed to LED. Lights at Hillside and Dollar have also been converted to LED.

Other energy efficient projects have and will continue to be the replacement or upgrade of pumps to variable frequency drive (VFD). This was done at the Tice Creek Pools with rebates of over \$6,000 from MCE. Hillside and Dollar pool pumps will be evaluated next as well as irrigation pumps for the golf course.

And lastly, the solar farm is still running through the City's and PG&E's planning processes. Once operational, it is anticipated that this 1-megawatt facility will generate about 65% of GRF current energy needs.

Start planning water reclamation facility—

Problem: At the height of the drought, the state declared that irrigation for golf courses had among the lowest priorities of all water users in the state. As a result, the state imposed a 40% reduction in water usage for golf courses. In addition, EBMUD imposed a 25% surcharge. State water officials had indicated that if the drought had continued through the summer of 2017, golf course operators would have faced a 60-80% reduction in water. Water reductions at 60% may have made the courses largely unplayable and at 80% would have killed much of the grass on the course and resulted in millions of dollars of damage.

Goal: The drought illustrated the critical importance that water plays in making our landscape and golf courses green, playable and attractive. This is obviously important to golfers but also essential to the overall beauty of the golf courses as a park-like feature adding value to every home in Rossmoor. A critical benefit of the golf courses is that the green space provides a fire break and evacuation zone for the valley. As a result, the GRF Board authorized the exploration of water reclamation in order to ensure the viability of the golf courses.

Status: GRF retained the services of a water reclamation consultant to determine whether there appeared to be adequate sewage discharge, if there was a suitable site for the physical plant, and to initiate discussions with the City, EBMUD and Central Contra Costa Sanitary District. The consultant's report will be discussed at the April 26 GRF Board meeting.

Implement remodel of Gateway Studios—

Problem: When the Gateway Clubhouse was renovated in early

2000's, the studios were untouched while the clubhouses and theater received the bulk of the attention. As some of the oldest buildings on campus, the studios were designed as multi-purpose facilities but have evolved to single-use. With wait lists due to space constraints, the studio clubs have requested that their facilities be optimized for efficiency to make better use of their space for doors, windows and equipment.

Goal: The Board decided that it was time to begin the process for a future remodel of the Gateway Studios.

Status: A space planner began working with the studio clubs in 2016 and early 2017. In February 2018, the Board authorized the hiring of an architect to formalize the design plans.

Create Planning Committee—

Problem: The Board recognizes that there are many needs and competing interests from various constituents advocating for a variety of capital projects. A key missing element in their decision-making process on whether to spend money on capital projects is the absence of a long-term vision and formalized priorities.

Goal: The Board created a goal of establishing a Planning Committee to prioritize future major capital projects and consider other strategic community initiatives.

Status: The Planning Committee was chartered July 27, 2017.

Project Updates

Transit Study: At the GRF Board meeting on February 22, 2018, the Board authorized the submission of an application to the County for Measure J transportation funds to create an app-based on-demand bus service. If the grant is awarded, the software would be developed and would be tested as a small-scale pilot program on one of the routes. It is anticipated that an on-demand bus service will improve efficiency and responsiveness--two items that residents indicated in the bus survey last year that needed to be improved. Bus riders without a smart phone will still be able to summon a bus with a phone call from a non-cellular phone. GRF's funding application is pending before the County. If the grant is not approved, the Board will evaluate whether or not to proceed with the pilot program.

Gateway Studios: At the GRF Board meeting on February 22, 2018, the Board authorized staff to hire an architect to create the design for a renovation of the Studios. Staff will be presenting the recommended bid at the April 26, 2018, Board meeting.

Solar Farm: Our vendor, NextEra, continues to navigate the approval process with the City, PG&E and Fire Department. Citing the facility on a previously unimproved hillside near a protected species habitat has necessitated a more rigorous evaluation by the regulatory authorities resulting in mitigating factors. The City Planning Commission approved the facility in a unanimous vote on April 12, 2017. The project is currently being evaluated by PG&E. We remain hopeful that the facility will be online by the

end of summer.

Traffic and Pedestrian Safety Study: At the February 22, 2018, GRF Board meeting, the Board authorized moving forward with several traffic and pedestrian safety improvements. The projects are currently out to bid. The Planning Committee continues to deliberate additional safety improvements.

Fire Marshal Presentation

Many residents have expressed concerns about wildfire and evacuation protocols in Rossmoor. Contra Costa County Fire Protection District Fire Chief Robert Marshall will provide a fire safety presentation on Wednesday, June 20th at 10:00 a.m. in the Event Center. Residents are invited to attend.

2017 Rossmoor Facts

The 2017 Rossmoor Fact Sheet is now online and can be viewed at <http://rossmoor.com/about/>. Some interesting facts for 2017:

- The average age of our 9,885 residents is 78 years young
- The Rossmoor bus service transported 88,000 riders over 154,000 miles
- Despite the closure of the Del Valle Fitness Center in March 2017, more than 90,000 visitors utilized the fitness center during the year
- Nearly 56,000 rounds of golf were played on Rossmoor's two courses
- More than 12,000 tickets were sold to GRF concerts and performances
- Residents and clubs made nearly 25,000 facility bookings
- Mutual Operations processed nearly 40,000 work orders
- Securitas received almost 7,400 calls for service with 22% of the calls requiring medical assistance
- More than 3.2 million vehicles entered the gate

Employee Transition

In April, two employees commenced employment with the GRF: Marcia Logrande Zicman, Events Assistant, Recreation; and Guillermo Salinas Rodriguez, Landscape Irrigation Technician, Landscape.

Five employees transferred in April: Emmellee Berryman-Maciell transferred from PTOC Lifeguard, Aquatics Department, to Assistant Head Lifeguard, Aquatics Department; Becky Beckleman, Amanda Forsland, and Josephine Nash transferred from part-time employees, Fitness Department, to full time employees, Fitness Department; and Eddy Ibarra transferred from Landscape Foreman, Landscape Department, to Landscape Field Supervisor, Landscape Department.

AQUATICS ADVISORY COMMITTEE REPORT

REGULAR MEETING
THURSDAY, APRIL 12, 2018, AT 1:30 P.M.

A regular meeting of the Aquatics Advisory Committee (AAC) was called to order by the Chairman, Brian K. Stack, at 1:30 p.m. on Thursday, April 12, 2018, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Carol A. Meehan, Vice Chairman, Dale O. Reynolds, Secretary, Norman P. Gorsuch, E.J. Koch, Daryl A. Svoboda, and Sue DiMaggio Adams, GRF Board representative and ex-officio member. Barbara S. Jordan was excused. Also, in attendance were Timothy O'Keefe, CEO; Jeffrey P. Matheson, Director of Resident Services; and four residents.

Attendance

The report of the Committee's regular meeting held on March 8, 2018, was approved as written.

Report
Approved

During the Residents' Forum, Martela Beck, Sonya Provaznik, and Jan Howard expressed their concerns regarding issues in the women's locker room at the Tice Creek Fitness Center. Laurie Salen wanted clarification on the possibility of residents using outside trainers to work in Rossmoor facilities.

Residents'
Forum

Mr. Stack and Mr. Reynolds will work on an article for the Rossmoor News regarding pool time for kids, fragrance, and showering before going into the pools.

News
Article
re. Pool
Time &
Fragrance/
Pool
Activity

Pool numbers were available, but not discussed. Mr. Reynolds reaffirmed that he is working on developing a chart for pool activity.

A motion was made by Mr. Stack, seconded by Ms. Svoboda, and CARRIED UNANIMOUSLY to submit Mr. Matheson's request to add several projects for the Tice Creek Fitness Center to the GRF Board as submitted.

Fitness
Center
Projects
Recom-
mended/
Motion re.
Guest Use
Policy

A motion was made by Mr. Stack, seconded by Mr. Reynolds, and CARRIED not to amend the guest use policy to allow non-residents to be exempt from paying the guest use fee at the Tice Creek Fitness Center.

There being no further business to come before the Committee, the meeting was adjourned at 3:17 p.m.

Adjourn-
ment

The next regular meeting of the AAC will be held on Thursday, May 10, 2018, at 1:30 p.m. in the Board Room at Gateway Complex.

Next Mtg.
5/10/18

Brian K. Stack, Chairman
Aquatics Advisory Committee

AUDIT COMMITTEE REPORT
REGULAR MEETING
MONDAY, APRIL 2, 2018, AT 9:00 A.M.

A regular meeting of the Audit Committee was convened by the Chairman, Paul Rosenzweig, at 9:00 a.m. on Monday, April 2, 2018, in the Donner Room at the Event Center.

Present, in addition to the Chairman, were, Mary K. Neff, Sheldon Solloway, Alan W. Swanson, Dwight Walker, and Christopher T. Yahng. David L. Cutter was excused. Also attending were Timothy O’Keefe, CEO; Richard S. Chakoff, CFO; and Amanda Davis, Senior Accountant. Also invited were Scott Taylor, Nate Farris, and Bob Houston of Burr Pilger Mayer (BPM).

Attendance

The report of the Committee’s meeting held on November 13, 2017, was approved.

Report
Approved/
Discussion
re. 2017
Audit & Tax
Filings

Messrs. Taylor and Farris then led the Committee’s discussion of BPM’s 2017 Audit Report. Mr. Houston reported on the latest recommendation from the outside attorneys on matters related to filing of GRF and Trust income tax filings.

Mr. Houston recommended that the Committee meet with a representative from the outside attorneys, Hanson Bridgett LLP, for a fuller explanation of the latest recommendation on income tax filings. Mr. Chakoff was asked to set up that meeting, to include representatives from BPM. The Chairman suggested that there be adequate notice to the GRF Board, inviting their attendance.

Mr. Walker made a motion to recommend to the GRF Board that the BPM report on the GRF Financial Statements as of and for the year ended December 31, 2017, be accepted after receipt of a revision containing the Committee’s recommendations; seconded by Mrs. Neff and CARRIED UNANIMOUSLY.

Recom-
mendation
to GRB

There being no additional matters, the meeting was adjourned at 10:45 a.m.

Adjourn-
ment

Paul Rosenzweig, Chairman
Audit Committee

PR/dr

Meeting Date: April 26, 2018

**SUMMARY REPORT
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

REPORT PREPARED BY:

Rick Chakoff, CFO

REQUESTED ACTION/RECOMMENDATION:

Accept the December 31, 2017, audited financial statement report as recommended by the GRF Audit Committee.

BACKGROUND:

Each year the financial records of GRF are audited and financial statements are prepared with disclosures included as required by generally accepted accounting principles (GAAP). The GRF Audit Committee meets with staff and representatives from the auditing firm, BPM and any agreed upon changes are incorporated into the report. Once the Committee is satisfied with the report, it submits it to the GRF Board with a recommendation that it be accepted.

ATTACHMENTS:

A draft copy of the audited financial statement report.

CRITERIA	Project:
Financial Impact	N/A
Operational Efficiencies	N/A
Dependencies	N/A
Subsequent Actions	Once accepted, copies of the report will be available to residents at the library and copies will be distributed and posted on the Rossmoor.com website.
Alternatives/Options	The Board may accept the report or ask that it be changed and re-submitted.
Time-Frame	April 2018
Advantages/Benefits	N/A
Disadvantages/Risks	N/A

GOLDEN RAIN FOUNDATION

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

December 31, 2017 and 2016

DRAFT

T A B L E O F C O N T E N T S

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Golden Rain Foundation and Trustee of Trust Estate
Walnut Creek, California

We have audited the accompanying combined financial statements of the Golden Rain Foundation and Trust Estate, which comprise the combined balance sheets as of December 31, 2017 and 2016, and the related combined statements of revenues and expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Golden Rain Foundation and Trust Estate as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

E. Palo Alto, California
April XX, 2018

GOLDEN RAIN FOUNDATION

COMBINED BALANCE SHEETS

As of December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 2,693,706	\$ 6,595,663
Accounts receivable, net	550,517	612,489
Deferred rent receivable	236,974	300,280
Inventories	446,943	491,243
Notes receivable	457,351	406,194
Property and equipment, net	52,797,424	45,858,798
Other assets, net	<u>123,842</u>	<u>167,824</u>
Total assets	<u>\$ 57,306,757</u>	<u>\$ 54,432,491</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Bank loans	\$ 11,900,869	\$ 12,910,562
Line of credit	2,400,000	-
Accounts payable and accrued expenses	2,122,781	1,009,587
Accrued payroll and benefits	1,644,463	1,697,913
Pension liability	<u>7,701,350</u>	<u>11,524,234</u>
Total liabilities	<u>25,769,463</u>	<u>27,142,296</u>
Net assets for the benefit of Walnut Creek Mutual Entities:		
Unrestricted net assets	<u>31,537,294</u>	<u>27,290,195</u>
Total liabilities and net assets	<u>\$ 57,306,757</u>	<u>\$ 54,432,491</u>

The accompanying notes are an integral part of these combined financial statements.

GOLDEN RAIN FOUNDATION
COMBINED STATEMENTS OF REVENUES AND EXPENSES

For the years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues	<u>\$ 30,377,696</u>	<u>\$ 28,670,760</u>
Other revenues:		
Services - community facilities	2,385,695	2,411,032
Newspaper	976,348	936,552
Lease revenue	612,677	614,693
Noncommunity facilities services	229,153	336,600
Financial income	24,599	20,816
Other income, net	<u>37,181</u>	<u>71,115</u>
Total other revenues	<u>4,265,653</u>	<u>4,390,808</u>
Total revenues	<u>34,643,349</u>	<u>33,061,568</u>
Expenses:		
Employee compensation	19,943,968	19,233,096
Operations and maintenance	12,067,136	10,950,916
Administrative	2,146,375	2,106,980
Interest	605,617	666,243
Loss (gain) on disposal of property and equipment	<u>334,631</u>	<u>(5,999)</u>
Total expenses, before depreciation and amortization	<u>35,097,727</u>	<u>32,951,236</u>
(Expenses) in excess of revenue, revenue in excess of expenses, before depreciation and amortization	(454,378)	110,332
Depreciation and amortization	<u>3,391,407</u>	<u>3,438,111</u>
Expenses in excess of revenues	<u>\$ (3,845,785)</u>	<u>\$ (3,327,779)</u>

The accompanying notes are an integral
part of these combined financial statements.

GOLDEN RAIN FOUNDATION
COMBINED STATEMENTS OF CHANGES IN NET ASSETS
For the years ended December 31, 2017 and 2016

	Total
Net assets, December 31, 2015	\$ 26,912,716
Membership transfer fees	4,203,000
Mutual distributions	(200,000)
Comprehensive loss:	
Expenses in excess of revenues	(3,327,779)
Adjustment to pension benefit obligation	(297,742)
Total comprehensive loss	(3,625,521)
Net assets, December 31, 2016	27,290,195
Membership transfer fees	4,410,000
Mutual distributions	(140,000)
Comprehensive loss:	
Expenses in excess of revenues	(3,845,785)
Adjustment to pension benefit obligation	3,822,884
Total comprehensive loss	(22,901)
Net assets, December 31, 2017	\$ 31,537,294

The accompanying notes are an integral
part of these combined financial statements.

GOLDEN RAIN FOUNDATION

COMBINED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
(Expenses) in excess of revenues	\$ (3,845,785)	\$ (3,327,779)
Adjustments to reconcile expenses in excess of revenues to net cash provided by operating activities:		
Depreciation and amortization	3,391,407	3,438,111
Loss/(gain) on sale and disposal of property and equipment	334,631	(5,999)
Adjustment to pension benefit obligation	3,822,884	(297,742)
Change in operating asset and liability accounts:		
Accounts receivable, net and deferred rent receivable	125,278	(25,358)
Inventories	44,300	(14,078)
Other assets, net	26,855	(26,788)
Accounts payable and accrued expenses, accrued payroll and benefits and pension liability	<u>(3,727,260)</u>	<u>480,124</u>
Net cash provided by operating activities	<u>172,310</u>	<u>220,491</u>
Cash flows from investing activities:		
Purchases of property and equipment	(9,696,092)	(1,904,486)
Change in notes receivable	(51,157)	(31,082)
Proceeds from sale of property and equipment	<u>12,675</u>	<u>7,971</u>
Net cash used in investing activities	<u>(9,734,574)</u>	<u>(1,927,597)</u>
Cash flows from financing activities:		
Payments on bank loans	(1,009,693)	(980,223)
Proceeds from line of credit	2,400,000	-
Proceeds from membership transfer fees	4,410,000	4,203,000
Mutual distributions	<u>(140,000)</u>	<u>(200,000)</u>
Net cash provided by financing activities	<u>5,660,307</u>	<u>3,022,777</u>
Net (decrease) increase in cash	(3,901,957)	1,315,671
Cash, beginning of year	<u>6,595,663</u>	<u>5,279,992</u>
Cash, end of year	<u>\$ 2,693,706</u>	<u>\$ 6,595,663</u>
Supplemental cash flow disclosures:		
Interest paid	<u>\$ 605,617</u>	<u>\$ 666,243</u>
Non-cash investing activities:		
Property and equipment	<u>\$ 964,120</u>	<u>\$ 35,103</u>

The accompanying notes are an integral part of these combined financial statements.

GOLDEN RAIN FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2017 and 2016

1. Organization

The Golden Rain Foundation of Walnut Creek (“Golden Rain Foundation”) is organized under California general nonprofit corporation’s law as a nonprofit mutual benefit corporation. The Golden Rain Foundation is the trustee of the Golden Rain Foundation of Walnut Creek Trust (the “Trust” or “Trust Estate”). The Trust was created to provide services and community facilities to the approximately 9,700 residents of the community commonly known as Rossmoor of Walnut Creek, California (“Rossmoor”).

The community facilities consist of roads, on and off-site improvements and recreational and service facilities and are held in the Trust for 18 mutual corporations (the “Mutual Entities”) as the beneficiaries of the Trust. The Mutual Entities consist of associations as defined by California Civil Code §4080, each of which manage common interest developments as defined by California Civil Code §4100, including 3 stock cooperatives, 14 condominium associations and 1 planned unit development. The common interest developments are owned by the Mutual Entities and their respective individual members.

All functions of the Golden Rain Foundation are governed by a Board of Directors elected by the Golden Rain Foundation members.

2. Summary of Significant Accounting Policies***Accounting Responsibility***

The Golden Rain Foundation handles all accounting functions for both the Trust and the general operating activities of Golden Rain Foundation as trustee.

Financial Statement Presentation

The financial statements include all accounts of the Golden Rain Foundation, including its Mutual Operations division and all accounts of the Trust. Accounting principles applicable to business enterprises are used to account for the Golden Rain Foundation transactions and balances. Accounting principles applicable to trusts are used to account for the transactions and balances of the Trust.

Cash

For purposes of the combined statements of cash flows, cash includes all cash balances and highly liquid investments with an original maturity of three months or less at the date of purchase.

Accounts Receivable

Accounts receivable of the Golden Rain Foundation are stated at the amount management expects to collect from balances outstanding at year-end, and consist of amounts due from the Mutual Entities for resident services, management services, newspaper advertising, and from John Muir Medical Center. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of December 31, 2017 and 2016, the Golden Rain Foundation had an allowance for doubtful accounts of \$1,000. During the years ended December 31, 2017 and 2016, there were no bad debt expenses incurred. Accounts receivable of the Trust Estate are stated at the amount management expects to collect from balances outstanding at year-end, and consist primarily of amounts due from the lessee of the medical center premises.

Continued

GOLDEN RAIN FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2017 and 2016

2. Summary of Significant Accounting Policies, continued***Notes Receivable***

The Golden Rain Foundation has notes receivable related to the financing of membership transfer fees (see additional information in Note 8).

Inventories

Inventories of the Golden Rain Foundation consist of operating supplies and are stated at cost, as determined on the first-in, first-out method, or market.

Property and Equipment

Purchased property and equipment of both the Golden Rain Foundation and the Trust Estate are stated at cost, net of accumulated depreciation, and are depreciated on the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years. Contributed assets are recorded at their fair value at the date of contribution. Capital additions and improvements that enhance or extend the useful life of an asset are capitalized, whereas repairs and maintenance expenses are expensed as incurred. In 2017, street paving improvements were added to capital additions and improvements. Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered, the Golden Rain Foundation and the Trust Estate, using their best estimates and projections, review for impairment the carrying value of long-lived identifiable assets to be held and used in the future. The Golden Rain Foundation and the Trust Estate will record impairment losses when determined. Capital assets that have not been placed into service are reflected in construction in progress and depreciation does not begin until the date the asset is placed into service.

Other Assets

Other assets includes prepaid expenses, deposits on purchases, and capitalized loan and contract costs. Prepaid expenses are expensed when used and capitalized loan and contract costs are amortized over the life of the loan or contract.

Membership Transfer Fees

Membership transfer fees generally occur as a result of a change of membership in the Golden Rain Foundation and are recorded as additions to unrestricted net assets in the combined statements of changes in net assets (see Note 8).

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, Golden Rain Foundation uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is broken down into three levels based on observability of valuation inputs as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Continued

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2017 and 2016

2. Summary of Significant Accounting Policies, continued***Fair Value Measurements***, continued

Level 2 – Inputs are obtained from readily available pricing sources for comparable instruments.

Level 3 – Valuation inputs are obtained without observable market value and require a high level of judgment to determine fair value.

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain reclassification have been made to the 2016 financial statement presentation to correspond to the current year's format. Total net unrestricted assets remain unchanged due to these reclassifications.

3. Revenue

The Golden Rain Foundation operates, improves and maintains the Trust Estate's facilities and assists management of various Mutual Entities in the operation and maintenance of their residential properties. The majority of the Mutual Entities contract with the Golden Rain Foundation to provide management services. An operating budget and operations fees of the Golden Rain Foundation trustee are approved annually by the Board of Directors. Operations fees are recognized as revenue monthly as the fees are earned. The Board of Directors periodically approves distributions to Mutual Entities of accumulated revenues in excess of expenses and such distributions are accounted for as a charge to net assets in the combined statements of changes in net assets. Other revenues of the Golden Rain Foundation are derived from service fees to members, golf revenues and sales of newspaper advertising, and are recognized as revenue as work is completed and advertisements are published. Lease revenue is derived primarily from contracts related to the medical center (see Note 13) and RV space rentals.

4. Income Tax Status

The Golden Rain Foundation is a California nonprofit, nonstock, corporation which is treated as a taxable corporation for federal and California state income tax purposes. However, because it is a membership organization, it is subject to the special rules of Section 277 of the Internal Revenue Code. Under Section 277, the Golden Rain Foundation is subject to federal and state income taxes whenever its nonmember revenue, consisting primarily of investment income, exceeds nonmember expenses and also when its membership revenue exceeds membership expenses. Net membership losses cannot be used to reduce net nonmember income; however, such losses may be carried over indefinitely to reduce future net membership income and amounted to approximately \$51,736,245 and \$50,151,998 at December 31, 2017 and 2016, respectively. Membership transfer fees are treated as contributions to capital, thus are not taxable revenues.

Continued

GOLDEN RAIN FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2017 and 2016

4. **Income Tax Status**, continued

The Golden Rain Foundation has evaluated its current tax positions and has concluded that as of December 31, 2017 and 2016, the Golden Rain Foundation does not have significant uncertain tax positions for which a reserve would be necessary. There have been no related tax penalties or interest related to uncertain tax positions, which would be classified as tax expense in the combined statements of revenues and expenses. A number of the Golden Rain Foundation's tax returns remain subject to examination by taxing authorities. These open tax returns include December 31, 2013 and later years.

5. **Property and Equipment**

Property and equipment at December 31, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Golden Rain Foundation:		
Building improvements	\$ 27,606	\$ 27,606
Furniture and equipment	637,164	865,706
Transportation equipment	340,056	434,817
Computer equipment	203,625	203,625
	<u>1,208,451</u>	<u>1,531,754</u>
Less accumulated depreciation	<u>(1,208,451)</u>	<u>(1,530,604)</u>
Property and equipment, net	<u>\$ -</u>	<u>\$ 1,150</u>
Depreciation expense	<u>\$ 1,150</u>	<u>\$ 1,380</u>
Trust Estate:		
Land and land improvements	\$ 30,977,900	\$ 29,567,052
Buildings	21,647,606	21,923,734
Building improvements	29,233,137	30,611,774
Furniture and equipment	4,861,177	4,778,026
Transportation equipment	2,855,433	2,595,550
Computer equipment/programs	735,993	628,567
Construction in progress	9,573,783	988,126
	<u>99,885,029</u>	<u>91,092,829</u>
Less accumulated depreciation	<u>(47,087,605)</u>	<u>(45,235,181)</u>
Property and equipment, net	<u>\$ 52,797,424</u>	<u>\$ 45,857,648</u>
Depreciation expense	<u>\$ 3,373,130</u>	<u>\$ 3,419,604</u>

Continued

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2017 and 2016

6. Retirement Plans

The Golden Rain Foundation sponsors a noncontributory (employer-sponsored) defined benefit pension plan and a defined contribution pension plan and contributes to a multi-employer union-sponsored retirement benefit plan. Employees hired or re-hired after May 1, 2009 are not eligible to participate in the defined benefit plan, as the participation under the Plan was frozen May 1, 2009.

Under the provisions of Accounting Standards Codification (“ASC”) 715, *Employer’s Accounting for Defined Benefit Pension and Other Postretirement Plans*, the projected benefit obligation is also required to be valued as of the Golden Rain Foundation’s fiscal year-end. The Golden Rain Foundation’s adjustment to its minimum liability at December 31, 2017 and 2016 is \$(3,822,884) and \$297,742, respectively, and is reported in the combined statements of changes in net assets. By definition, the adjustment is not an income or expense but rather represents the gains or losses and prior service costs or credits that arose during the period. The accumulated adjustment to the pension benefit obligation included in comprehensive loss at December 31, 2017 and 2016 is \$(10,459,274) and \$(14,282,158), respectively.

The defined benefit plan is noncontributory and provides benefits based on each covered employee’s years of service and highest five-year average compensation out of the last ten years of employment. The Golden Rain Foundation’s funding policy is to make at least the minimum annual contributions recommended by the plan’s actuary. The expected contribution in 2018 is \$1,025,000. The plan’s funded status, assumptions, and cost at December 31, 2017 and 2016 are as follows:

	2017	2016
Obligations and funded status:		
Projected benefit obligation	\$ 56,759,826	\$ 54,891,972
Plan assets at fair value	49,058,476	43,367,738
Funded status	<u>\$ (7,701,350)</u>	<u>\$ (11,524,234)</u>
Accumulated benefit obligation	<u>\$ 54,453,984</u>	<u>\$ 52,674,540</u>
Employer contributions	<u>\$ 1,141,250</u>	<u>\$ 1,025,000</u>
Benefits paid	<u>\$ 2,643,443</u>	<u>\$ 2,506,644</u>
Amounts recognized in the balance sheet consist of:		
Pension liability	<u>\$ (7,701,350)</u>	<u>\$ (11,524,234)</u>
Amounts recognized in the combined statements of revenues and expenses consist of:		
Net periodic pension cost per actuary	<u>\$ 1,313,145</u>	<u>\$ 1,558,195</u>

Continued

GOLDEN RAIN FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2017 and 2016

6. Retirement Plans, continued

Components of Net Periodic Pension Cost

The net periodic pension cost for pension benefits for 2017 and 2016 includes the following components:

	2017	2016
Service cost	\$ 809,504	\$ 836,356
Interest cost	2,118,697	2,067,889
Expected return on plan assets	(3,172,653)	(3,038,977)
Amortization of net loss	1,557,597	1,692,927
Net periodic benefit cost	<u>\$ 1,313,145</u>	<u>\$ 1,558,195</u>

The following actuarial assumptions were used in accounting for the plan:

	2017	2016
Weighted-average assumptions used to determine benefit obligations at December 31:		
Discount rate	3.70%	4.00%
Rate of compensation increase	3.00%	3.00%
Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31:		
Discount rate	4.00%	4.00%
Expected return on plan assets	7.50%	7.50%
Rate of compensation increase	3.00%	3.00%

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation. In estimating that rate, appropriate consideration is given to the returns being earned by the plan assets in the fund and rates of return expected to be available for reinvestment, and a building block method. The expected rate of return on each asset class is broken down into three components: (1) inflation, (2) the real risk-free rate of return (i.e., the long-term estimate of future returns on default-free U.S. government securities), and (3) the risk premium for each asset class (i.e., the expected return in excess of the risk-free rate).

All three components are based primarily on historical data, with modest adjustments to take into account additional relevant information that is currently available. For the inflation and risk-free return components, the most significant additional information is that provided by the market for nominal and inflation-indexed U.S. Treasury securities. That market provides implied forecasts of both the inflation rate and risk-free rate for the period over which currently available securities mature. The historical data on risk premiums for each asset class is adjusted to reflect any systemic changes that have occurred in the relevant markets; e.g., the higher current valuations for equities, as a multiple of earnings, relative to the longer-term average for such valuations.

Continued

GOLDEN RAIN FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2017 and 2016

6. Retirement Plans, continued

Components of Net Periodic Pension Cost, continued

The exact expected return derived using the building block method will vary from year to year; however, as the rate is a long-term assumption, it remains constant as long as it remains within a reasonable range.

The percentage of the fair value of total plan assets held as of December 31, 2017 and 2016 (the measurement date) by asset category is as follows:

	2017		2016	
Equity securities	\$ 39,006,913	80%	\$ 32,885,372	76%
Debt securities	10,051,563	20%	10,482,366	24%
Total	\$ 49,058,476	100%	\$ 43,367,738	100%

The plan assets consisted of \$45,535,106 and \$39,721,965 Level 2 assets and \$3,523,370 and \$3,645,773 Level 3 assets for the years ended December 31, 2017 and 2016, respectively. Level 3 assets consist of Immediate Participation Guarantee Contracts and are valued based on a market value formula approach that uses the Barclays Capital U.S. Aggregate Index. The change in value of Level 3 assets was \$(122,403) and \$(861,529) for the years ended December 31, 2017 and 2016, respectively, and represented the net cash flows activity at contract settlement. Significant unobservable inputs primarily consisted of the assumed interest rate of 1.25% and the experience rate of 3.74%.

The plan's investment strategy utilizes several different asset classes with varying risk/return characteristics. The returns of the asset classes are not expected to move in tandem, which allow the plan to take part in different parts of the global economic cycle. The following guidelines are used to determine the asset mix with respect to plan assets:

Account	Range
Mid-Cap Growth	4% to 7%
Mid-Cap Value	4% to 7%
Small Growth	4% to 7%
Small Value	4% to 7%
Foreign Large Blend	13% to 19%
Intermediate Term Bond	15% to 25%
Large Growth	16% to 25%
Large Value	16% to 25%
Stable Value	15% to 25%

Prohibited investments include those specifically prohibited by the Employee Retirement Income Security Act of 1974. In addition, investment activity in the following is prohibited: municipal or tax exempt securities, short sales, margin purchases, commodities, securities of the trustee of investment manager, its parents or subsidiaries, and unregistered or restricted stock.

No plan assets are expected to be returned to the Golden Rain Foundation during 2018.

Continued

GOLDEN RAIN FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2017 and 2016

6. Retirement Plans, continued

Components of Net Periodic Pension Cost, continued

Estimated future annual benefit payments consist of:

2018	\$ 3,261,060
2019	\$ 3,329,575
2020	\$ 3,288,019
2021	\$ 3,264,769
2022	\$ 3,411,353
2023–2027	\$ 17,405,781

The defined contribution plan is a 401(k) profit sharing plan. Substantially all employees, other than those covered by a collective bargaining unit, which has not negotiated inclusion, are eligible to participate. The Golden Rain Foundation provides a certain level of matching contributions on salary deferrals. Expense under these plans for 2017 was \$159,737 and for 2016 was \$138,904.

Multi-Employer Plan

Golden Rain Foundation contributes to a multi-employer defined benefit pension plan under a collective bargaining agreement that covers its union-represented employees. This plan is not administered by the Golden Rain Foundation. The risks of participating in this multi-employer plan differ from those of single-employer plans in that assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers. The Multi-employer Pension Plan Amendments Act of 1980 (the "Act") significantly increased the pension responsibilities of participating employers. If a participating employer stops contributing to the plan, then the unfunded obligations of the plan may be borne by the remaining participating employers. If Golden Rain Foundation chooses to stop participating in the multiemployer plan, then it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The term of the current collective bargaining agreement covers the period between August 1, 2009 through July 31, 2018, with a provision to continue in successive years unless affirmatively terminated or amended. Golden Rain Foundation's maximum contribution exposure is limited to no more than 80% of the total pension contribution rate, with any excess being borne by the employee. As of July 1, 2015, Golden Rain Foundation's per employee pension contribution was \$7.26/hour. That amount increased to \$8.96/hour as of July 1, 2016. If Employer's pension contribution is less than 80% of the total required pension contribution, Golden Rain Foundation agrees to increase its pension contribution by up to a maximum of \$0.50/hour. The pension plan trustee has informed Golden Rain Foundation that the plan status for the 2016 plan year, which runs through May 31, 2017, was endangered which equates to a Pension Protection Act zone status of yellow. Plans in the yellow zone are between 65% and 80% funded. A Funding Improvement Plan has been adopted by the trustee.

Continued

GOLDEN RAIN FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2017 and 2016

7. Concentrations

The Golden Rain Foundation maintains cash with one major financial institution. The balances held by the bank are insured by the Federal Deposit Insurance Corporation up to \$250,000. Cash on deposit normally exceeds federally insured limits. The Golden Rain Foundation has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

Approximately 35% of the Golden Rain Foundation's employees are covered by a multi-year collective bargaining agreement which expires in July 2018.

8. Notes Receivable

Notes receivable are for membership transfer fees that have been financed over seven years with an annual interest rate of 5% for the years ended December 31, 2017 and 2016. The unsecured notes receivable balances as of December 31, 2017 and 2016 are \$457,351 and \$406,194, respectively.

9. Contingencies

The Golden Rain Foundation is subject to certain legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any liability with respect to these actions will not materially affect the combined financial statements. Also, refer to contingent liability of multi-employer plan in Note 6.

10. Commitments

Purchase commitments related to certain Trust Estate renovation and expansion projects approximated \$938,000 and \$0 at December 31, 2017 and 2016, respectively. Additionally, see Note 11 and Note 12 for outstanding bank loan commitments.

11. Bank Loans

Golden Rain Foundation is obligated under a term note, which requires monthly payments of \$45,000 plus interest at a fixed interest rate equal to 4.94%. The term loan matures on June 10, 2029. At December 31, 2017 and 2016, \$6,210,000 and \$6,750,000 of principal is payable on the loan, respectively. The loan fees are being amortized over the term of the loan.

Additionally, the Golden Rain Foundation is obligated under a term note, which requires monthly payments of \$62,446, including interest at a fixed interest rate equal to 4.75%. The note matures on June 7, 2027. At December 31, 2017 and 2016, \$5,690,869 and \$6,160,562, respectively, are payable on the note.

Continued

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2017 and 2016

11. Bank Loans, continued

The Golden Rain Foundation's term notes mature as follows:

Years ending December 31:	
2018	\$ 1,018,788
2019	1,049,511
2020	1,073,967
2021	1,100,889
2022	1,128,506
Thereafter	<u>6,529,208</u>
	<u>\$ 11,900,869</u>

These bank loans include financial covenants that require the Trust to maintain a Debt Service Coverage Ratio ("DSC Ratio") of at least 2:00:1:00. A DSC Ratio is defined as net operating income divided by debt service. In March 2016, the bank amended the loan covenants to define the DSC Ratio as the ratio of earnings before interest, taxes, depreciation and amortization plus transfer fees, to debt service. December 31, 2017, Golden Rain Foundation is in compliance for all loan covenants. Repayment of the bank loans will be primarily from Golden Rain Foundation membership transfer fees. The loans are collateralized by a Blanket UCC securities agreement, which includes all inventories, chattel paper, accounts receivable, equipment, and general intangible assets of the Golden Rain Foundation. In addition, term loans are secured by a mortgage on the medical center (see Note 13).

12. Line of Credit

On May 1, 2017, Golden Rain Foundation entered into a non-revolving line of credit with a total commitment of \$8 million and a balance payable at December 31, 2017 of \$2,400,000. This line of credit will mature May 10, 2033. The line of credit carries an interest rate of 5.11% and requires monthly interest only payments during draw period, which extends to May 10, 2018. Thereafter the line of credit will convert to a term loan, which will carry an interest rate of 5.11%, with principal and interest payments due monthly. The line of credit requires the Trust maintain a DSC Ratio of at least 2:00:1:00. The DSC Ratio is defined as the ratio of earnings before interest, taxes, depreciation and amortization plus transfer fees, to debt service. As of December 31, 2017, Golden Rain Foundation is in compliance with all debt covenants and the line of credit is secured by the deed of trust on the medical center (see Note 13).

13. Medical Center

In August 2005, the Golden Rain Foundation entered into a non-cancelable operating lease with a third party to lease the medical center premises that expires in July 2020. The lease includes one 5-year renewal term. The lease requires the lessee to pay all executory costs such as property taxes, maintenance and insurance. The lease has a base rent of \$40,490 per month for the first full year with stated annual increases of 2.5% each August through the end of the lease term. ASC 840, *Accounting for Leases*, requires that leases with such stated increases record rents under a straight-line method. Total rental income under the straight-line and cash basis methods was \$580,844 and \$644,150, respectively, in 2017, and \$580,844 and \$628,439, respectively, in 2016. The Golden Rain Foundation had deferred rent receivable of \$236,974 and \$300,280 as of December 31, 2017 and 2016, respectively.

Continued

GOLDEN RAIN FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2017 and 2016

13. Medical Center, continued

In addition, during 2005, the Golden Rain Foundation incurred initial direct costs related to the origination of the lease of \$223,897, which has been capitalized and included in other assets on the combined balance sheet. The costs are to be amortized straight-line over the life of the lease, which terminates July 2020. Amortization expense was \$15,353 for the years ended December 31, 2017 and 2016.

Future minimum annual rental income on a cash and straight-line basis required under the lease and future amortization for the years ending December 31, are as follows:

	<u>Cash Basis</u>	<u>Straight-Line</u>	<u>Amortization</u>
2018	\$ 660,253	\$ 580,844	\$ 79,409
2019	676,760	580,844	95,916
2020	400,474	338,825	61,649
	<u>\$ 1,737,487</u>	<u>\$ 1,500,513</u>	<u>\$ 236,974</u>

As of December 31, 2017, the cost (including land, building and other capitalized costs) and accumulated depreciation of the leased medical center consist of:

Cost	\$ 2,374,123
Accumulated depreciation	<u>(2,111,348)</u>
	<u>\$ 262,775</u>

14. Related Party Transactions

The Golden Rain Foundation maintains accounting records and performs administrative work for most of the Walnut Creek Mutual Entities (the "Mutuals"), related parties. As of December 31, 2017 and 2016, the Golden Rain Foundation had \$278,756 and \$288,849 of accounts receivable from the Mutuals, respectively. Revenues from the Mutuals were \$29,525,139 and \$27,797,956 for the years ended December 31, 2017 and 2016, respectively.

15. Subsequent Events

The Golden Rain Foundation has evaluated subsequent events through April XX, 2018, the date the combined financial statements were available to be issued. Other than the item disclosed below, nothing has occurred outside the normal course of business operations that requires disclosure or recognition as of December 31, 2017.

SUPPLEMENTARY INFORMATION

DRAFT

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Golden Rain Foundation and Trustee of Trust Estate
Walnut Creek, California

We have audited the combined financial statements of the Golden Rain Foundation and Trust Estate as of and for the year ended December 31, 2017, and our report thereon dated April XX, 2018, which expressed an unmodified opinion on those combined financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining balance sheet and statement of revenues and expenses and the divisional balance sheet and statement of revenues and expenses are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

E. Palo Alto, California
April XX, 2018

GOLDEN RAIN FOUNDATION

8b1-22

COMBINING BALANCE SHEET

December 31, 2017

	<u>Golden Rain Foundation</u>	<u>Trust Estate</u>	<u>Combined</u>
ASSETS			
Cash	\$ 2,467,379	\$ 226,327	\$ 2,693,706
Accounts receivable, net	453,786	96,731	550,517
Deferred rent receivable	-	236,974	236,974
Due from/(to) related party	(108,040)	108,040	-
Inventories	446,943	-	446,943
Notes receivable	-	457,351	457,351
Property and equipment, net	-	52,797,424	52,797,424
Other assets, net	29,562	94,280	123,842
	<u>3,289,630</u>	<u>54,017,127</u>	<u>57,306,757</u>
Total assets	<u>\$ 3,289,630</u>	<u>\$ 54,017,127</u>	<u>\$ 57,306,757</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Bank loans	\$ -	\$ 11,900,869	\$ 11,900,869
Line of credit	-	2,400,000	2,400,000
Accounts payable and accrued expenses	889,245	1,233,536	2,122,781
Accrued payroll and benefits	1,644,463	-	1,644,463
Pension liability	7,701,350	-	7,701,350
	<u>10,235,058</u>	<u>15,534,405</u>	<u>25,769,463</u>
Total liabilities	<u>10,235,058</u>	<u>15,534,405</u>	<u>25,769,463</u>
Net assets for the benefit of Walnut Creek Mutual Entities:			
Unrestricted net assets (deficit)	<u>(6,945,428)</u>	<u>38,482,722</u>	<u>31,537,294</u>
Total liabilities and net assets	<u>\$ 3,289,630</u>	<u>\$ 54,017,127</u>	<u>\$ 57,306,757</u>

See Independent Auditors' Report on Supplementary Information.

GOLDEN RAIN FOUNDATION
COMBINING STATEMENT OF REVENUES AND EXPENSES

For the year ended December 31, 2017

	Golden Rain Foundation	Trust Estate	Eliminations	Combined
Revenues	\$ 30,377,696	\$ -	\$ -	\$ 30,377,696
Other revenues:				
Services - community facilities	2,385,695	149,242	(149,242)	2,385,695
Newspaper	976,348	-	-	976,348
Lease revenue	-	612,677	-	612,677
Noncommunity facilities services	229,153	-	-	229,153
Financial income	167	24,432	-	24,599
Other income, net	23,912	13,269	-	37,181
Total other revenues	3,615,275	799,620	(149,242)	4,265,653
Total revenues	33,992,971	799,620	(149,242)	34,643,349
Expenses:				
Employee compensation	19,943,968	-	-	19,943,968
Operations and maintenance	12,067,136	-	-	12,067,136
Administrative	2,295,617	-	(149,242)	2,146,375
Interest	-	605,617	-	605,617
Loss on disposal of fixed assets	-	334,631	-	334,631
Total expenses, before depreciation and amortization	34,306,721	940,248	(149,242)	35,097,727
Expenses in excess of revenues before depreciation and amortization	(313,750)	(140,628)	-	(454,378)
Depreciation and amortization	1,150	3,390,257	-	3,391,407
Expenses in excess of revenues	\$ (314,900)	\$ (3,530,885)	\$ -	\$ (3,845,785)

See Independent Auditors' Report on Supplementary Information.

GOLDEN RAIN FOUNDATION

DIVISIONAL BALANCE SHEET

December 31, 2017

ASSETS	<u>General Operations</u>	<u>Mutual Operations</u>	<u>Golden Rain Foundation</u>
Cash	\$ 2,087,949	\$ 379,430	\$ 2,467,379
Accounts receivable, net	175,030	278,756	453,786
Due from/(to) related party	186,866	(294,906)	(108,040)
Inventories	157,774	289,169	446,943
Other assets, net	<u>14,064</u>	<u>15,498</u>	<u>29,562</u>
Total assets	<u>\$ 2,621,683</u>	<u>\$ 667,947</u>	<u>\$ 3,289,630</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued expenses	\$ 828,586	\$ 60,659	\$ 889,245
Accrued payroll and benefits	1,335,031	309,432	1,644,463
Pension liability	<u>7,500,900</u>	<u>200,450</u>	<u>7,701,350</u>
Total liabilities	9,664,517	570,541	10,235,058
Net assets:			
Unrestricted net assets (deficit)	<u>(7,042,834)</u>	<u>97,406</u>	<u>(6,945,428)</u>
Total liabilities and net assets	<u>\$ 2,621,683</u>	<u>\$ 667,947</u>	<u>\$ 3,289,630</u>

See Independent Auditors' Report on Supplementary Information.

GOLDEN RAIN FOUNDATION

DIVISIONAL STATEMENT OF REVENUES AND EXPENSES

For the year ended December 31, 2017

	<u>General Operations</u>	<u>Mutual Operations</u>	<u>Golden Rain Foundation</u>
Revenues	<u>\$ 20,861,145</u>	<u>\$ 9,516,551</u>	<u>\$ 30,377,696</u>
Other revenues:			
Services - community facilities	2,385,695	-	2,385,695
Newspaper	976,348	-	976,348
Noncommunity facilities services	229,153	-	229,153
Financial income	167	-	167
Other income, net	<u>23,912</u>	<u>-</u>	<u>23,912</u>
Total other revenue	<u>3,615,275</u>	<u>-</u>	<u>3,615,275</u>
Total revenues	<u>24,476,420</u>	<u>9,516,551</u>	<u>33,992,971</u>
Expenses:			
Employee compensation	12,060,146	7,883,822	19,943,968
Operations and maintenance	10,861,539	1,205,597	12,067,136
Administrative	<u>1,907,619</u>	<u>387,998</u>	<u>2,295,617</u>
Total expenses, before depreciation and amortization	<u>24,829,304</u>	<u>9,477,417</u>	<u>34,306,721</u>
Expenses in excess of revenues, before depreciation and amortization	(352,884)	39,134	(313,750)
Depreciation and amortization	<u>-</u>	<u>1,150</u>	<u>1,150</u>
(Expenses) in excess of revenues, revenues in excess of expenses	<u>\$ (352,884)</u>	<u>\$ 37,984</u>	<u>\$ (314,900)</u>

See Independent Auditors' Report on Supplementary Information.

Meeting Date: April 26, 2018

**SUMMARY REPORT
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

REPORT PREPARED BY:

Rick Chakoff, CFO

REQUESTED ACTION/RECOMMENDATION:

Approve, as recommended by the Finance Committee, borrowing a total of \$6.1 million from the Mechanics Bank line of credit to complete the renovation of the Tice Creek Fitness Center.

BACKGROUND:

On May 1, 2017, GRF entered into a loan agreement for up to \$8 million for the renovation of the Tice Creek Fitness Center. Funds can be drawn on the credit line until May 10, 2018, at which time it will convert to a term loan. The recommendation is for GRF to draw \$6.1 million on the line in order to complete the Tice Creek Fitness Center project.

The terms of the loan were determined when the loan agreement was completed on May 1, 2017, and are not subject to change. The term loan is for 15 years at an interest rate of 5.11%. The loan includes prepayment penalties of decreasing amounts for the first eight years of the loan. The annual debt service will be approximately \$586,000.

CRITERIA	Project:
Financial Impact	In year 1 approximately \$276,000 in interest payments and \$310,000 in principal payments. Over the life of the loan approximately \$2.687 million in interest expense plus the principal amount of \$6.1 million.
Operational Efficiencies	N/A
Dependencies	N/A
Subsequent Actions	The March 31, 2018, balance on the credit line was \$3,060,000. Once approved, the remaining balance of \$3,040,000 will be drawn on the credit line prior to May 10, 2018.
Alternatives/Options	The Board may approve the recommended loan or determine that a different amount should be borrowed.
Time-Frame	April/May 2018
Advantages/Benefits	N/A
Disadvantages/Risks	N/A

FITNESS CENTER ADVISORY COMMITTEE REPORT

REGULAR MEETING
WEDNESDAY, APRIL 11, 2018, AT 9:30 A.M.

A regular meeting of the Fitness Center Advisory Committee (FCAC) was called to order by the Chairman, Claudia Tierney, at 9:30 a.m. on Wednesday, April 11, 2018, in the Fairway Room at Creekside Complex.

Present, in addition to the Chairman, were Catherine S. Herdering, Vice Chairman, Sherry S. Smith, Secretary, Carol A. Green, Charlotte A. Howard, Virginia Lee Rapp, and Melvin C. Fredlund, ex-officio member and GRB representative. Also attending were Geraldine Pyle, President, GRF; Timothy O'Keefe, CEO; Jeffrey P. Matheson, Director of Resident Services; Julie Van Dusen, Fitness Manager; Javier Ramon, Sound and Lighting Technician; and twenty-one residents. Attendance

The report of the Committee's regular meeting of March 14, 2018, was approved as written. Report Approved

Chairman Tierney appointed a committee to rewrite the rules, regulations, and guidelines for the Tice Creek Fitness Center. The committee will be composed of Chairman Tierney, Julie Van Dusen, Virginia Lee Rapp, and Carol A. Green. Committee Created

Per Mr. Matheson, there was a total of 22,235 users of the fitness center going through the turnstiles during the period of March 6, 2018, through March 31, 2018. This represents an increase in users from the full month of March in 2017. The new key fobs have been ordered and should arrive in the next 2 to 3 weeks. Ms. Van Dusen reported the following: There are 82 classes currently being offered; there were 250 assessments in March; staff is booked for the next three weeks; and additional staff hours have been added to accommodate the demand. Staff Report

There were twenty-one residents present for the Residents' Forum. Eleven residents spoke on the topics of opening the fitness center earlier, waiver of guest fees for nonresident members of the two dance clubs, website suggestions, Pilates policy, and locker room issues. Residents' Forum

A PowerPoint presentation was given by Mr. Matheson and Ms. Van Dusen to review modifications to the Fitness Center website. It was noted that the schedule for aquatics was added. Presentation on Website

Discussion ensued regarding proposed policies for use of the Pilates Studio. Mr. Matheson distributed a handout of a draft policy proposal and safety check agreement. He then showed a short video of the use of the Pilates reformers. Draft Policy Proposal

A motion was made by Ms. Rapp, seconded by Ms. Howard and CARRIED, with three ayes and one nay, to approve the proposed policy for the use of the Pilates Studio without alternative options and to include the Safety Check Agreement and Release of Liability as attached. Approved Proposed Policy for Pilates Studio Policy

The Committee was asked to recommend that the GRF Board add several projects Page 38

for the Tice Creek Fitness Center. While several of adjustments have been made, Ten Fitness Center some items require further consideration and have a cost impact that must be Renovation approved by the Board. The Committee discussed each item and decided to Projects recommend all nine items to the Board, with the additional item of a glass door for Recom- the Pilates Studio to replace the solid wood door now used to access the Studio. mended

A motion was made by Ms. Howard, seconded by Ms. Rapp, and CARRIED UNANIMOUSLY to recommend to the GRF Board that the ten items listed in the fitness center renovation project be approved for implementation.

The Committee considered a request to open the Tice Creek Fitness Center at 5:30 Fitness a.m. instead of 6:00 a.m. Per the summary report, the Board would need to increase Center the allocation for staff hours for the fitness center and pools or close the facility thirty Hours minutes earlier each day to compensate.

A motion was made by Ms. Smith, seconded by Ms. Howard, and CARRIED, with four ayes and one nay, to deny the request to open the Tice Creek Fitness Center at 5:30a.m.

Discussion ensued regarding the recommendation to the Policy Committee to Recom- amend the guest use policy to exempt nonresident club members from the guest use mentation fee. The Committee members considered that exempting nonresident club members to Policy from guest use fees would dilute the current policy of charging fees, although the Committee collection of these fees has not yet been implemented. It was mentioned that the re. Guest guest use fee was instituted as a revenue generating source. It was also noted that Use Policy recommending the amendment would set a precedent, should the fees be applied to other areas of Rossmoor in addition to the fitness center.

A motion was made by Ms. Rapp, seconded by Ms. Smith, and CARRIED, with three ayes and two abstentions, to recommend to the Policy Committee that the request to amend the guest use policy to exempt nonresident club members from the guest use fee be denied.

The Chairman adjourned the meeting at 12:45 p.m.

Adjourn-
ment/

The next regular meeting of the FCAC will be held on Wednesday, May 9, 2018, at Next Mtg. 9:30 a.m. in the Board Room at Gateway Complex. 5/9/18

Claudia Tierney, Chairman
Fitness Center Advisory Committee



PILATES OPEN STUDIO/SAFETY CHECK AGREEMENT

Tice Creek Fitness Center is happy to offer Open Studio to participants in our Pilates Training Program. Open Studio is only available to participants who have been issued Open Studio Cards. In order to prevent injury and keep the equipment in good condition, certain criteria must be met before an Open Studio Card is issued.

It is extremely important for each Open Studio participant to understand that Pilates equipment is very different from other equipment in the club. Springs if improperly attached to the equipment and /or body can slip and snap back (pulling any involved bars and body parts with them quite suddenly and forcefully). Also improper execution of exercises increases wear and tear on the springs. With incorrect use, there is a very real possibility of bodily injury and /or damage to the equipment. For this reason it is imperative that every single participant in our Open Studio Program is educated about equipment safety and exercise technique.

OBTAINING AN OPEN STUDIO CARD

Participants must complete 1 hour of one-on one Pilates instruction with a Tice Creek Fitness Center Pilates Instructor. Participant must also demonstrate safe use of all equipment. The Trainer may require additional private or group sessions if they determine the participant is not ready to be on their own. All private and group training sessions with a trainer are subject to standard fees for personal or small group training.

USING THE STUDIO

Participants are required to present their Open Studio Card along with their membership card to Tice Creek Fitness Center Front Desk staff before entering the studio. They must ensure they are abiding by the open studio hours.

PLEASE READ AND INITIAL EACH ITEM

_____ Spray and Wipe Down all upholstered surfaces

_____ Return Reformer to a "neutral" position, including these areas, Spring Bar (in Second Gear), Three (3) Red Springs, and Foot straps (hooked over metal pegs on shoulder rests), Head rest up, and boxes and accessories stored in their appropriate storage space.

_____ Open Studio rules apply towards both the Studio Reformers and Allegro Reformers.

_____ Socks must be worn when using both Studio and Allegro Reformers



RELEASE OF LIABILITY

Client acknowledges that any program of physical activity involves risks of injury. Client affirms that he/she is in good physical condition and does not suffer from any illness and disability, which would prevent or limit his/her participation in an exercise program.

In consideration of participation in the exercise program contemplated by this Agreement, Client on behalf of himself/herself and his/her heirs, assigns, and personal representatives, hereby releases and agrees to hold harmless the instructor and owners or operators of any premises upon which personal training or Pilates may be conducted from any and all claims or damages, including, without limitation, injury, illness, disability, death, or loss or damage to person or property, whether arising from the negligence or the related parties or otherwise, the fullest extent permitted by law.

I agree to abide by all Tice Creek Fitness Centers Open Studio Rules and regulations.

Name: _____

Signature: _____

Date: _____

Fitness Manager: _____

Signature: _____

Date: _____

Meeting Date: April 26, 2018

**SUMMARY REPORT
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

REPORT PREPARED BY:

Jeff Matheson, Director of Resident Services

REQUESTED ACTION/RECOMMENDATION:

Consider funding for additional items to be completed at the Tice Creek Fitness Center as recommended by the Fitness Advisory and Aquatics Advisory Committees.

BACKGROUND:

The Tice Creek Fitness Center opened to residents on January 24, 2018. Although the doors were open, the facility had a number of items that still needed to be completed by the General Contractor. The vast majority of those items have now been complete. As with any new building, a great deal is learned once the building is in use. This has been the case with the locker rooms as well as the main fitness center. Based on usage, a number of adjustments have been made. Some examples have included the addition of coat racks, signage, seating at vanity mirrors, floor mats, etc. Some items, however, require further consideration and have a cost impact that must be approved by the Board.

Both the FCAC and AAC have reviewed the following list of projects and are recommending the Board approve funding to complete them. The projects are presented in order of priority as voted on by the AAC. The FCAC did not prioritize.

Locker Rooms:

- 1. Remove one entry door to the women's locker room, install automatic opener and add privacy screen:** The women's locker room has two entry doors for access to/from the pool deck. This design was required due to the structural beams for the pool enclosure and code requirements. Residents have expressed concern that, if both doors are open at the same time, pool users can see inside the locker room. Some residents have also commented on having difficulty navigating two doors. The first door leading into the locker room can be removed by adding an external privacy screen in front of the entry on the pool deck (see attached diagram). The cost to add the privacy screen and eliminate the door is \$7,854.

Additionally, a power assist system can be added to the second interior entry door from the pool deck. This requires the addition of power for the activation button and the door. The cost to add an automatic door opener for the interior door is \$12,097. An automatic door opener can also be added to the single door on the men's side for an additional \$12,097.

2. **Additional lockers:** Requests have been made to add lockers in both the men's and the women's locker rooms. During some peak times, the available lockers may become full. The women's locker room has available space on the open wall where some benches and hooks have been placed. A total of 18 additional double stack lockers can be placed at this location. Additionally, a bench would be added in front of the lockers. The bench would not be attached. The men's locker room has space between the changing room and the counter. This space can accommodate either 8 double stack lockers or 12 triple stack lockers. The cost to add these lockers is \$19,278.
3. **Move swim suit water extractor:** Several comments have been made regarding the location of the swim suit water extractor in the women's locker room. The concern with the current location is that members need to walk with a wet suit to the extractor and thus get the tile floor wet. The extractor can be moved to a location between the last accessible shower and changing room (see attached diagram). This involves relocating the power and drain line. The cost to move the unit is \$6,809.
4. **Add additional floor mats:** Several members have requested additional floor mats in the locker rooms. This request is based on a perception the tile floor is slippery when wet and that it is difficult to change clothes and keep personal items dry when the tile floor is wet. Mats have been placed between the showers and changing rooms and in front of the lockers. Requests for additional mats are focused on the changing rooms and the path to the swim suit water extractor. Mats leading to the suit water extractor would not be needed if the unit is moved. Mats costs approximately \$2,000 per roll and must be replaced every other year. Cleaning of mats adds approximately 30 minutes to the custodial staff nightly duties for cleaning the locker rooms. Mats must be removed and hosed down nightly and disinfected several times per week to avoid mold and buildup of hair and other debris. If additional mats are added, it is recommended that additional resources in the operating budget be considered for the custodial department. The additional annual operating cost for staffing would be \$8,500.

Main Fitness Area:

This list was only reviewed by the FCAC who is recommending funding for all items.

1. **Add roller shades to high windows facing street:** The original design was to add exterior louvers for the upper windows. The louvers have not provided the blocking from the sun that was anticipated. The louvers can be adjusted manually based on season; however, the light and view may be impacted. Alternatively, roller shades can be added to cut the glare. The cost for the roller shades and the addition of power to operate the shades is \$16,150.
2. **Cabinetry in frail area and Serenity Room:** Currently, wire rack shelving is being used in the Serenity Room for supplies and floor bins are used for supplies in the frail area. The cost to add custom wood framed cabinetry in these areas is \$14,000. This cabinetry will help with maintaining equipment in the proper location and help with organization.
3. **Addition of two barres in the Aerobics Room:** The Ballet Club has requested an additional barre be added at a lower height to assist those that cannot extend to the regular height barre. The existing standards that are attached to the barre can accommodate a second barre. Additionally, a staff led class uses the existing two barres for a portion of the class. Based on the class size, additional barre space is needed. The class is requesting a third barre be placed on the wall under the TRX rack. The cost to add these additional two barres is \$3,000.

Fitness Center Renovation Budget:

- The GRF Board of Directors approved a project scope for the renovation of \$10,000,000 inclusive of all project related expenses.
- The GRF Board specifically approved contracts and authorizations for expenditures totaling \$9,611,808.
- The estimated total project expenditures based on final completion is \$9,690,062. This is \$309,938 below the approved project scope of \$10 million.

The total for the above listed options is:

- 1. Locker room access:
 - Remove entry door to women’s locker \$7,854
 - Add power assist to second entry door \$12,097
 - Add power assist to men’s locker door \$12,097

Total: \$32,048

- 2. Additional lockers \$19,278
- 3. Move swim suit water extractor \$ 6,809
- 4. Add additional floor mats \$ 2,000*
- 5. Add roller shades to high windows \$16,150
- 6. Add cabinetry to frail area and Serenity Studio \$14,000
- 7. Add additional barres in Aerobics Studio \$3,000

Total: \$93,285

ATTACHMENTS:

Diagrams of proposed changes.

CRITERIA	Project:
Financial Impact	The total for the additional projects is \$93,285. This total is still under the approved project scope of \$10 million.
Operational Efficiencies	NA
Dependencies	NA
Subsequent Actions	Any projects approved will be scheduled with Tilton Pacific or the appropriate subcontractor.
Alternatives/Options	The Board can approve individual projects or decide not to proceed with any project
Time-Frame	The approved projects will be completed over the next several months.
Advantages/Benefits	Each project has been requested by resident users of the facility.
Disadvantages/Risks	*Adding more mats in the locker rooms creates an ongoing expense as the mats take approximately 30 minutes to clean per night. This would add approximately \$8,500 to the annual operating budget for staffing.

OPEN SHWR

Existing clear dim = 54"
42" minimum is required

8d1-5

Screen to start at vertical mullion next to double door

Verify width in field

ACCESSIBLE RR-SHWR

Screen material to closely match the pool enclosure storefront system: White framing, with frosted opaque glass infill panel

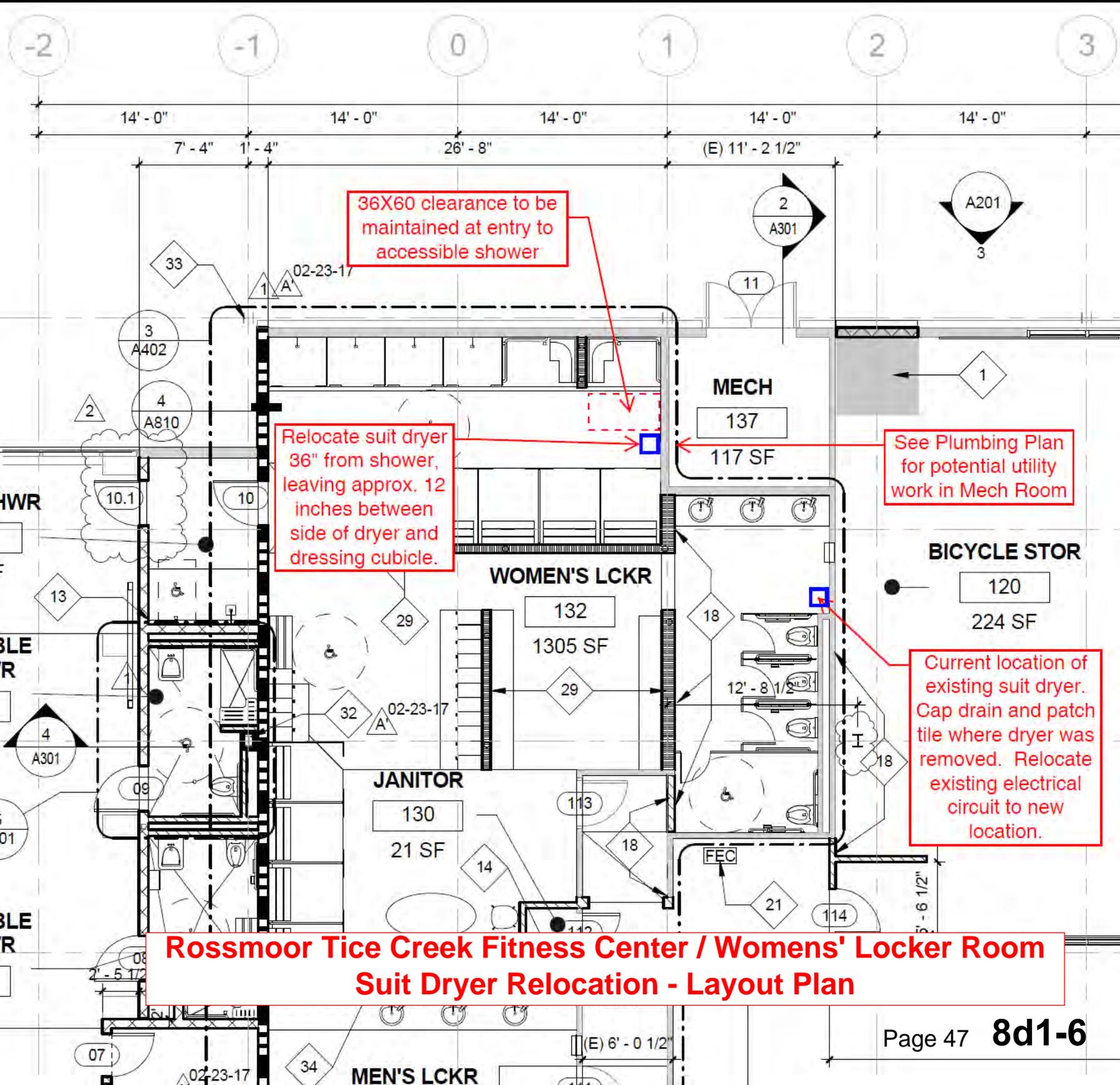
Remove existing door, lock and closer assembly. Provide a separate price to have frame removed and replaced with a cased opening

MECH

WOMEN'S LCKR

FEC

MEN'S LCKR



36X60 clearance to be maintained at entry to accessible shower

Relocate suit dryer 36" from shower, leaving approx. 12 inches between side of dryer and dressing cubicle.

See Plumbing Plan for potential utility work in Mech Room

Current location of existing suit dryer. Cap drain and patch tile where dryer was removed. Relocate existing electrical circuit to new location.

**Rossmoor Tice Creek Fitness Center / Womens' Locker Room
Suit Dryer Relocation - Layout Plan**

GOLF ADVISORY COMMITTEE REPORT

REGULAR MEETING
FRIDAY, APRIL 13, 2018, AT 9:00 A.M.

A regular meeting of the Golf Advisory Committee (GAC) was convened by the Chairman, John McDonnell, at 9:00 a.m. on Friday, April 13, 2018, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Mary Jane Hargrove, Mary Hufford, Michael D. Wener, Michael Weisenberg, and Susan Williamson. William L. Herrick was excused. Also attending were Timothy O’Keefe, CEO; Mark K. Heptig, Director of Golf; and Blake Swint, Golf Course Superintendent. Attendance

The report of the Committee’s regular meeting held on March 9, 2018, was approved as written. Report Approved

The Chairman reviewed the agenda for the meeting.

There was no correspondence.

No residents spoke at the Residents’ Forum.

Mr. O’Keefe reported on matters of the Golden Rain Foundation Board regarding the traffic and pedestrian safety study. He also presented information about the need to plan for future water. He then provided a description of what might be possible with the use of a water reclamation facility within Rossmoor. The Committee shared that it would support such an effort. CEO’s Report

Ms. Hufford, representing the Women’s 18-Hole Club, reported that the club currently has 120 members, which has stayed the same. Club Reports

Ms. Hargrove, representing the Women’s 9-Hole Club, reported the following: the Club currently has 148 members, with two applications in the works; the first Guest Day will be held on Thursday, May 3, with sponsorship from Intero Realty; the Club will be presenting a proposed bylaw change at its July general membership meeting to allow dual membership in an 18-Hole Club; and this year the Club will be holding reciprocal play days with Crow Canyon CC. Eight ladies from CCC will be in Rossmoor on May 10 and eight Niners will go to CC on June 21.

Mr. Weisenberg, representing the Rossmoor Men’s Golf Club (RMGC), wanted to express its condolences and acknowledge the passing of Happy Hackers President Mary Lou Delpech. He went on to report the following: the RMGC now has 347 members, with four new members who were added last month. Discovery Bay has been added to the club’s Home and Home tournament schedule. The Cinco de Mayo luncheon for the golf course maintenance staff, RMGC Board, and Ambassador volunteers will be held on May 3. This year’s Par 3 tournament will be open to the members of the 18ers. They have accepted our invitation. The Par 3 tournament is scheduled for May 2. For the December holiday party, the club has approached the other golf groups for some financial participation for this event. The Hawaiian Night party will be part of the schedule this year and will be held on September 8. The club is also looking for some help in the planning and carrying out of this function. Page 48

other golf groups. The budget for this year has been approved by the club’s Board. The club’s Board voted to approve the plan for 14A, which was discussed by Mark Heptig at the opening of this meeting. Mr. Weisenberg then concluded that Twilight will now accept envelopes for participation only up to 10 days before the event and that the RMGC will be donating additional funds for prizes for this event.

Ms. Williamson, representing the Happy Hackers, reported the following: The Club currently has 157 members; the first clinic will be held on Wednesday, April 11; the March scramble was rained out; the April scramble is scheduled for Saturday, April 21; two new club Board members were appointed to replace Mary Lou Delpech and Benny Ferreira, who resigned due to poor health and; new members Margaret Ready and Dottie Langthorn will take over the tournament sign-ups.

Mr. Heptig presented the financial reports, which are attached. He noted the financial rebound from the rained out previous year. Both rounds played, receipts for golf, and pro shop receipts are all positive.

Staff Reports

Mr. Heptig also presented changes for Hole #9 on the Dollar course and previewed options for future changes to Hole #14.

It was noted in the attached Golf Course Superintendent’s report, that there is a dramatic reduction in pesticide use on the golf course. The reduction is due in part to the introduction of mulch.

The Committee reviewed the changes for Hole #9 on the Dollar course and previewed options for future changes to Hole #14.

Dollar Golf Course Rehabilitation/Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 11:00 a.m.

The next regular meeting of the Committee will be held on Friday, May 11, 2018, at 9:00 a.m. in the Board Room at Gateway Complex.

Next Mtg. 5/11/18

John McDonnell, Chairman
Golf Advisory Committee

JM/dr

2018 Golf Course Rounds

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 YTD	2017 YTD
Golf Cards														
18 hole - prepaid	905	1,074	907										2,886	1,719
9 hole - prepaid	856	864	620										2,340	848
Sponsored Guest													0	0
Subtotal - Cards	1,761	1,938	1,527	0	5,226	2,567								
Greens Fees														
Residents														
18 holes @ 25.00	421	526	365										1,312	708
9 holes @ 13.00	346	567	396										1,309	719
18 holes @ 9 hole rate \$13.00	10	18	12										40	29
18 holes late @ 20.00	35	79	59										173	130
9 holes late @ 10.00	356	546	315										1,217	617
Subtotal - Residents	1,168	1,736	1,147	-	4,051	2,203								
Sponsored Guest														
18 holes @ 25.00	36	39	46										121	42
9 holes @ 13.00	6	19	10										35	6
18 holes late @ 20.00	6	1	3										10	4
9 holes late @ 10.00	36	22	14										72	19
Subtotal - Sponsored Guest	84	81	73	0	238	71								
Guests - Weekdays														
18 holes @ 40.00	60	99	77										236	106
9 holes @ 20.00	74	121	82										277	148
18 holes late @ 32.00	11	40	24										75	39
9 holes late @ 16.00	93	124	115										332	151
18 holes special @ \$24.00													0	0
9 holes special @ \$12.00													0	0
Subtotal - Guests weekdays	238	384	298	-	920	444								
Guests - Weekends & Holidays														
18 holes @ 50.00	79	77	58										214	82
9 holes @ 25.00	39	64	51										154	52
18 holes late @ 40.00	22	20	18										60	15
9 holes late @ 20.00	65	60	51										176	77
Subtotal - Guests Weekends & Holidays	205	221	178	-	604	226								
Total - Guests	527	686	549	0	1,762	741								
Tournaments													0	68
Total Rounds Played	3,456	4,360	3,223	-	11,039	5,579								

2018 Golf Course Cash Receipts

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Actual 2018 YTD	YTD 2018 Budget	Actual 2017 YTD	YTD 2017 Budget
Golf Cards																
Annual 18 holes @ \$1875	54,375.00												54,375.00		63,000.00	
1st Qtr (Jan-Mar) @ \$425	4,250.00												4,250.00		3,200.00	
2nd Qtr (Apr-Jun) @ \$625	0.00	625.00	5,000.00										5,625.00		6,000.00	
3rd Qtr (Jul-Sep) @ \$625	0.00												-		600.00	
4th Qtr (Oct-Dec) @ \$425	0.00												-		-	
Annual 9 holes @ \$975	13,650.00												13,650.00		16,200.00	
1st Qtr (Jan-Mar) @ \$200	2,600.00	200.00											2,800.00		1,400.00	
2nd Qtr (Apr-Jun) @ \$325	0.00		3,900.00										3,900.00		3,900.00	
3rd Qtr (Jul-Sep) @ 325	0.00												-		-	
4th Qtr (Oct-Dec) @ \$200	0.00												-		-	
Sponsored Guest @ \$1,000	13,000.00	7,000.00	2,000.00										22,000.00		16,000.00	
Golf Card Income Deferred	131,950.00												131,950.00		105,100.00	
Subtotal - Cards	219,825.00	7,825.00	10,900.00	-	-	-	-	-	-	-	-	-	238,550.00	233,847.00	215,400.00	207,184.00
Greens Fees																
Residents																
18 holes @ 25.00	10,525.00	13,150.00	9,125.00										32,800.00		16,992.00	
9 holes @ 13.00	4,498.00	7,371.00	5,148.00										17,017.00		8,628.00	
18 holes @ 9 hole rate \$13.00	130.00	234.00	156.00										520.00		348.00	
18 holes late @ 20.00	700.00	1,580.00	1,180.00										3,460.00		2,340.00	
9 holes late @ 10.00	3,560.00	5,460.00	3,150.00										12,170.00		5,553.00	
Subtotal - Residents	19,413.00	27,795.00	18,759.00	-	-	-	-	-	-	-	-	-	65,967.00	56,217.00	33,861.00	67,607.00
Sponsored Guest																
18 holes @ 25.00	900.00	975.00	1,150.00										3,025.00		1,008.00	
9 holes @ 13.00	78.00	247.00	130.00										455.00		72.00	
18 holes late @ 20.00	120.00	20.00	60.00										200.00		72.00	
9 holes late @ 10.00	360.00	220.00	140.00										720.00		171.00	
Subtotal - Sponsored Guest	1,458.00	1,462.00	1,480.00	0.00	4,400.00		1,323.00									
Guests - Weekdays																
18 holes @ 40.00	2,400.00	3,960.00	3,080.00										9,440.00		4,240.00	
9 holes @ 20.00	1,480.00	2,420.00	1,640.00										5,540.00		2,960.00	
18 holes late @ 32.00	352.00	1,280.00	768.00										2,400.00		1,170.00	
9 holes late @ 16.00	1,488.00	1,984.00	1,840.00										5,312.00		2,265.00	
18 holes special @ \$24.00													-		-	
9 holes special @ \$12.00													-		-	
Subtotal - Guests weekdays	5,720.00	9,644.00	7,328.00	-	-	-	-	-	-	-	-	-	22,692.00		10,635.00	
Guests - Weekends & Holidays																
18 holes @ 50.00	3,950.00	3,850.00	2,900.00										10,700.00		4,100.00	
9 holes @ 25.00	975.00	1,600.00	1,275.00										3,850.00		1,300.00	
18 holes late @ 40.00	880.00	800.00	720.00										2,400.00		570.00	
9 holes late @ 20.00	1,300.00	1,200.00	1,020.00										3,520.00		1,463.00	
Subtotal - Guests Weekends & Holidays	7,105.00	7,450.00	5,915.00	-	-	-	-	-	-	-	-	-	20,470.00		7,433.00	
Total - Guests	14,283.00	18,556.00	14,723.00	0.00	47,562.00	36,429.00	19,391.00	45,748.00								
Tournaments													-	2,141.00	3,400.00	-
Total Play Revenue	253,521.00	54,176.00	44,382.00	-	-	-	-	-	-	-	-	-	352,079.00	328,634.00	272,052.00	320,539.00
Misc income/Gas Sales													-		55.00	
Total Golf Course Revenue	253,521.00	54,176.00	44,382.00	-	-	-	-	-	-	-	-	-	352,079.00	328,634.00	272,107.00	320,539.00

2018 Pro Shop Cash Receipts

Golf Shop Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 YTD	2018 Budget	2017 YTD	2017 Budget
1.Golf Balls	1,140.73	2,245.77	1,936.18										5,322.68		3,578.47	
2.Golf Clubs	1,395.97	1,300.46	700.98										3,397.41		2,543.76	
3.Men's Wear	1,025.40	1,647.24	4,753.17										7,425.81		3,539.02	
4.Women's Wear	915.56	1,154.00	4,821.04										6,890.60		9,346.91	
5.Shoes	465.25	1,693.95	939.50										3,098.70		1,746.35	
6.Gloves	406.47	586.14	360.77										1,353.38		849.72	
7.Golf Bags/Golf Club Had Covers	240.53	59.00	440.95										740.48		923.79	
8.Misc Items	1,821.93	1,872.88	2,023.10										5,717.91		5,225.83	
Subtotal	7,411.84	10,559.44	15,975.69	-	-	-	-	-	-	-	-	-	33,946.97	39,552.00	27,753.85	49,189.00
Tax	591.15	846.06	1,294.27										2,731.48		2,249.61	
9.Pro shop Cart Rental	4,607.00	6,464.00	5,309.00										16,380.00	13,285.00	8,048.00	13,977.00
10.Pro Shop Club Repair	-	20.00	730.00										750.00	126.00	205.00	126.00
11.Pro Shop Golf Lesson	1,362.00	3,600.00	2,625.00										7,587.00	7,829.00	5,090.00	10,857.00
12.Pro Shop Driving RNG	2,855.00	4,213.00	3,576.00										10,644.00	9,391.00	6,065.00	12,502.00
13.Gift Certificate	(1,101.57)	(300.98)	(104.14)										(1,506.69)		(631.45)	
14.Misc Items	-												-		-	
Golf Shop Sales Total	15,725.42	25,401.52	29,405.82	-	-	-	-	-	-	-	-	-	70,532.76	70,183.00	48,780.01	86,651.00
-Member Charges	986.61	1,724.89	4,795.26										7,506.76		3,088.90	
-Credit Books	946.36	1,206.25	2,144.52										4,297.13		4,161.72	
Subtotal	13,792.45	22,470.38	22,466.04	-	-	-	-	-	-	-	-	-	58,728.87		41,529.39	
+Rec'd Acct													-		-	
Golf Shop Cash Balance	13,792.45	22,470.38	22,466.04	-	-	-	-	-	-	-	-	-	58,728.87	70,183.00	41,529.39	86,651.00

2018 Golf Shop Sales

Golf Shop Sales	March	2018 YTD	2017 YTD
Merchandise Sales	15,976	33,947	27,754
Cart Rental	5,309	16,380	8,048
Club Repair	730	750	205
Golf Lesson	2,625	7,587	5,090
Driving RNG	3,576	10,644	6,065
Total	28,216	69,308	47,162

April 2018

GOLF MANAGEMENT REPORT

- We finally saw winter come to Northern California and rain was back in the forecast in March. Approximately two weeks were affected by the poor weather. This resulted in a reduction in rounds played when compared to February. However, we were celebrating because we needed the water! For the year we are still way ahead of last years totals. Rounds are at 11,039 compared to 5,579 in 2017. The receipts total is \$352,000 compared to \$272,000 in 2017.
- The golf shop has stayed very busy no matter what weather is happening. Almost every category is ahead of last years totals. The only decrease is in women's clothing. The highlights have been the Men's Club logo shirts (168 shirts sold), large increase in lesson sales due to great weather and full clinics and large increases in shoe sales (new companies introduced) and golf balls. We also saw a huge increase in cart rentals. The shop is off to a great start and we hope to keep it going as we head into the prime months.
- We had our best "demo day" ever on March 30. We had Callaway experts here working with our own staff and produce over \$7,000 in sales. This sales total will affect April totals. We have a full line of demos from six different companies that are available for use on the driving range or golf course. However, the demo days seem to be a very popular day for our residents.
- The Director of Golf has met with GAC members and the Men's and Women's Club Boards to go over the changes being made on the rebuild of the ninth green. The meetings also discussed the possibility of making changes to the fourteenth hole that could result in a major design changes. The Clubs have been asked to gather input and report back to the Director of Golf by first of June.
- Although we have had some golf events cancelled due to weather there have still been many tournaments played. The 18ers had one of their "team Play" days. The Men's Club had their 4-Man tournament and the 18ers/9ers were able to play their Spring Fling and Fashion Show.

Superintendent's Report

April 13, 2018

We have received 15.08" of rain since our current rainfall year began on July 1, 2017. Our average annual rainfall totals about 25". The good news is that most of our rain has been received late in the season which typically delays the need to use supplemental EBMUD water for irrigation.

The late season rainfall combined with ideal growing conditions has recently made mowing nearly impossible. It has been necessary to raise cutting heights and ask equipment operators to work extra hours to prevent course closure. If a normal weather pattern continues we should have things under control by the end of next week.

The greens on Dollar Ranch have been aerated and top-dressed with sand. A spot treatment with an herbicide to eradicate broadleaf weeds was made several weeks ago on the greens prior to aeration. Only 4 ounces of the herbicide was added to 20 gallons of water which was used to treat 3.7 acres.

During the first four months of this year we have applied 70% less herbicides in volume less than last year.

Major changes are taking place regarding staffing in the golf course care department. Pedro Carrillo our primary foreman has moved to Rossmoor's landscaping department taking a similar position. We will first promote within our department to replace Pedro.

COMPENSATION COMMITTEE REPORT
MEETING OF
WEDNESDAY, APRIL 5, 2018, AT 1:30 PM

A regular meeting of the Compensation Committee was convened by Chair Steve Roath, at 1:30 PM, in the Board Room at the Gateway complex.

Call to Order

Present, in addition to the Chair, were Committee members Birdsall and Brown; member Kelso attended via speaker phone. Also in attendance were Tim O'Keefe, CEO of GRF; Anthony W. Grafals, General Counsel and Director of Confidential Services; Rick Chakoff, Chief Financial Officer; and Judith Perkins, Sr. Manager Human Resources.

Attendance

The report of the Committee's meeting held on March 21, 2018 was reviewed and approved by the Committee as presented.

Report of
March 21, 2018
Approved

Resident Ken Haley was in attendance, and offered no remarks. Board President Geri Pyle joined the meeting as Old Business item 5 a) was presented.

Residents'
Forum

As requested at the March 21, 2018 meeting, Grafals presented a Summary Report detailing his review of potential alternate indices for determining the percentage increase for the base wage adjustment funding. After a motion duly made, seconded and discussed, the Committee voted unanimously to recommend to the Board of Directors that the Board approve use of the Employment Cost Index (ECI) for private industry, in the San Francisco Bay Area, for the 12 month period ending March (available in late April/early May).

Old Business:
a) Alternate
Indices

Grafals then presented bar charts, also requested at the March 21, 2018 meeting, depicting the relative position of GRF wages for current positions within current and market wage bands. These or similar charts could be a useful tool for assessing the status of GRF pay ranges as compared to external market ranges.

b) Relative
position of GRF
jobs within
market bands

In discussing the Compensation Management Structure (CMS), the appropriate positioning of individuals within their CMS range came up. The Committee agreed to defer to a future meeting a discussion of the relative placement of individual wages within the assigned band, as well as potential funding mechanisms to move individuals as appropriate within the bands. In addition, staff was asked to develop an estimate of the amount needed to move current employees to the mid-range of their market bands (i.e., 1.05% of the external market midpoint), for discussion by the Committee.

c)
Compensation
Management
Structure

A motion was duly made, seconded and discussed regarding additional funding for appropriate movement of wages within the CMS bands. The Committee voted unanimously to recommend to the Board of Directors that a second funding pool for market adjustments to current wages, in addition to the base wage adjustment pool, be included in the 2019 budget.

Compensation Committee
April 5, 2018

Following a third motion duly made, seconded and discussed, the Committee voted 3-1 (Brown) to recommend to the Board of Directors that the 2019 budget include \$60,000 to fund the market adjustment pool.

The Committee also briefly discussed the State-mandated increases in the minimum wage (currently \$11.00 with \$1.00/hour increase effective 1/1/2019, and \$1.00/hour each year thereafter to \$15.00/hour) and the impact this has on recruiting, retention, and general employee wages; the duties and skill requirements for Custodian/AV Techs; the general description and duties of fitness trainers. No actions were needed or taken on these topics.

The next meeting of the Compensation Committee will be at 1:30 p.m. on Wednesday, May 16, 2018, in the Board Room at the Gateway Administration Building.

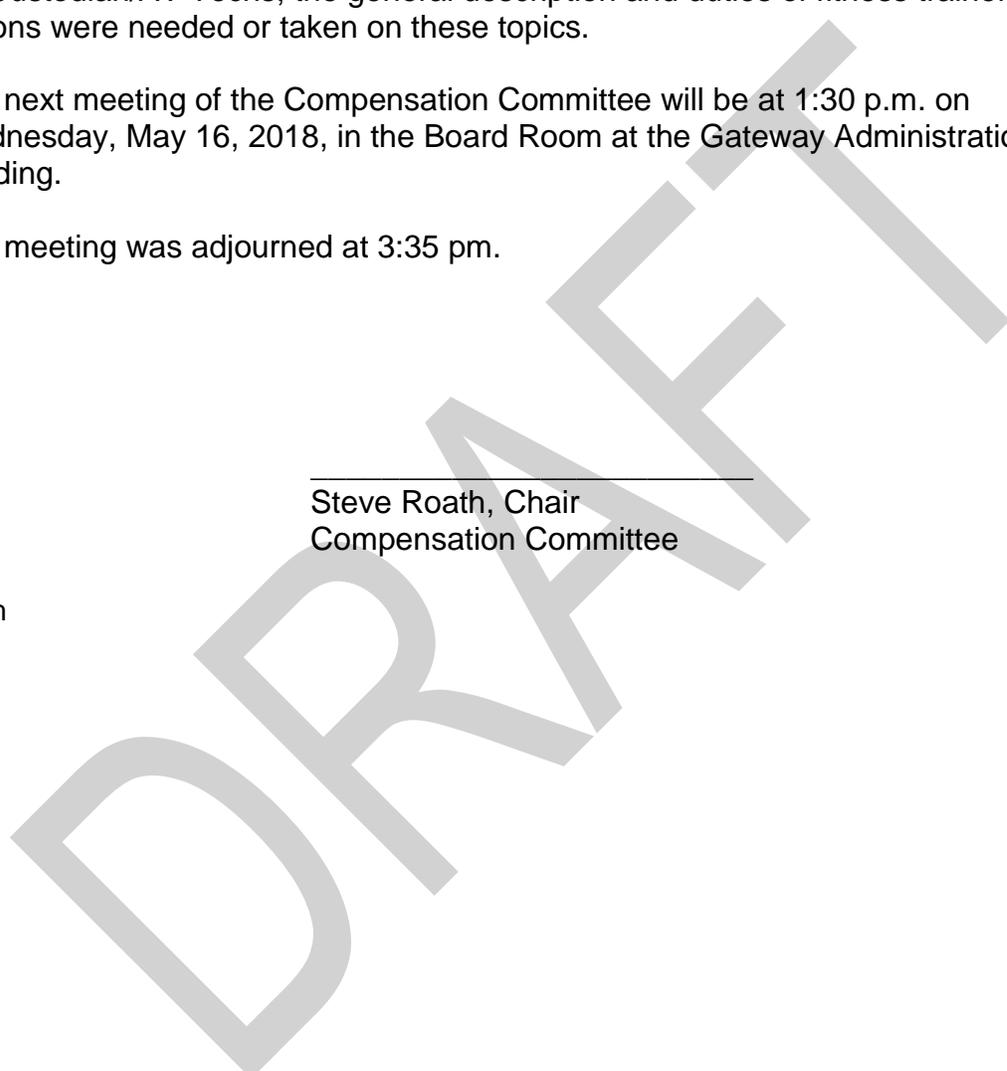
Next Meeting
5/16/18

The meeting was adjourned at 3:35 pm.

Adjournment

Steve Roath, Chair
Compensation Committee

JP/m



PLANNING COMMITTEE REPORT

REGULAR MEETING
THURSDAY, APRIL 5, 2018, AT 10:03 A.M.

A regular meeting of the Planning Committee was convened by the Chairman, Leslie Birdsall, at 10:03 a.m. on Thursday, April 5, 2018, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Carl W. Brown, Melvin C. Fredlund and Mary K. Neff. Also attending were Geraldine Pyle, President, and Sue DiMaggio-Adams, Director, GRF; Timothy O'Keefe, CEO; Dennis Bell, Public Safety Manager; and three residents. Attendance

The Planning Committee's report of its meeting held on March 8, 2018, was approved as written. Report Approved

During the Residents' Forum, Mary England distributed a handout she had prepared for the Ad Hoc Technology Committee and thought it would be a helpful guide to assist the Committee with prioritization criteria for projects. Residents' Forum

The Chairman distributed a handout entitled "Consultant Proposals" with the Committee. He noted that the document is to assist the Committee, as it indicates the status of each project. Project Status

Mr. Bell provided an update regarding project RFP's to the Committee. Specifically, paving bids and LED flashing stop sign installation bids. He then passed out copies of proposed pedestrian barricade options. Discussion followed.

The Committee reviewed agenda item S-16, Crosswalk on Golden Rain near the Hillside Clubhouse (Golden Rain and Pine Knoll). Discussion followed. Agenda Item S-16

The Committee next reviewed agenda item N-2, Install golf cart lanes on Stanley Dollar. Discussion followed. Agenda Item N-2, Install Golf Cart Lanes on Stanley Dollar

Motion, approved UNANIMOUSLY, to install a golf cart path on Stanley Dollar from the crosswalk at the driving range to Rossmoor Parkway and to eliminate the first parking place on Stanley Dollar that is at the crosswalk.

The Committee reviewed page 7a-6, Attachment #2 of the agenda. During discussion, Mr. Bell offered to provide a paving schedule for Rossmoor at the next Committee meeting. Further discussion ensued. Review of Agenda Page 7a-6

A motion was made by Mr. Fredlund, seconded by Mrs. Neff, and CARRIED, with Mr. Brown abstaining, to use Attachment #2 of the agenda packet as a crosswalk project guide for staff to use. Mr. Bell will bring back to the Committee, a paving schedule for 2018. Action Taken

The committee developed a list of criteria to present to the GRF Board for their input and approval.

Criteria
Develop-
ment/
Adjourn-
ment

There being no further business to come before the Committee, the meeting was adjourned at 11:28 a.m.

The next regular meeting of the Planning Committee will be held on Thursday, May 10, 2018, at 10:00 a.m. in the Board Room at Gateway Complex.

Next Mtg.
5/10/18

Leslie Birdsall, Chairman
Planning Committee

dr

DRAFT

Meeting Date: April 26, 2018

**SUMMARY REPORT
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

REPORT PREPARED BY:

Tim O'Keefe, CEO

REQUESTED ACTION/RECOMMENDATION:

Review Water Reclamation Facility Opportunities and Constraints Analysis and consider whether to advance to the next steps in water reclamation.

BACKGROUND:

From 2011-2017, California experienced its worst drought in 1,200 years according to a research paper published in the journal *Geophysical Research Letters*. The lasting impact of the drought caused the State of California to impose mandatory water reductions and permit extraordinary rate increases by water suppliers. In addition, EBMUD tacked on a 25% surcharge to all bills in 2016-17. Golf courses, identified by the state as among the lowest priority water users, were mandated to reduce water consumption by 40%.

Due to last year's record precipitation, the state declared an end to the drought in April 2017 and rescinded all water restrictions for commercial and residential (but not governmental) water customers. The surcharges were lifted July 1, 2017, but not before EBMUD increased rates 9% with another 9% increase announced for July 1, 2018, which will be 63% higher than the pre-drought rates.

Had the drought continued into the summer of 2017, the State was already planning to move what they called "low priority water users" (golf courses, cemeteries, street medians and parks) from a mandatory 40% reduction, to a 60% reduction. If the drought had continued into 2018, mandatory water reductions on the golf course would have moved to 80%, and then eventually 100%. At a 60% reduction, GRF would have had to turn off the water on the golf course fairways, which would have killed the fairway grass. At an 80% reduction, the water would have been turned off on the tee boxes with only limited water on the greens. If the reductions reached 100%--in other words, turning off all water—all grass on both golf courses would have died.

The landscaping throughout Rossmoor suffered during the drought as GRF and the mutuals removed turf (green grass) from the irrigation patterns and replaced turf with mulch. On the golf course, GRF removed 13 acres from the irrigation plan saving 10 million gallons of water per year. GRF also carefully monitors the application of all water on the golf course (and throughout Rossmoor) by using highly efficient satellite-driven

computerized systems that measure the daily evapotranspiration rates and apply water only as needed.

FUTURE DROUGHTS:

It is not a question of *if* California will ever experience another drought. It is a question of *when*. In the last 94 years, California has experienced seven major droughts, each with a lasting economic impact and affecting the overall quality of life. According to the climate scientists, the droughts in the last 20 years have become increasingly longer and dryer.

It is impossible to predict when the next drought will occur, but it *will* eventually occur. It could be more or less severe than the previous drought. If it is more severe, the playability of the golf courses will deteriorate, even to the point of possibly causing irreversible damage to the grass surface.

VALUE OF GOLF COURSES TO ROSSMOOR:

The golf courses are invaluable to this community for a number of reasons. Obviously, to the thousands of residents and guests who enjoy the game of golf, having green grass is essential to the game. On most Mondays, hundreds of additional residents walk the courses and observe geese, deer, fox, turkeys, coyotes and many other forms of wildlife during their walk.

Thousands of residents' homes either adjoin the golf courses or have a view of the golf courses, which adds to both their aesthetic enjoyment and equity value of their homes. Many residents and Realtors have described the golf courses as essential to the Rossmoor identity and provide beauty, serenity and tranquility that is unmatched outside Rossmoor. Realtors have stated that every home in Rossmoor benefits from the golf courses.

While these all describe the equity, aesthetic and emotional attachments residents have to the golf courses, perhaps the most important value of the golf courses to the community is that the green space serves as a critical firebreak and evacuation zone in the event of fire or other disaster.

If a future drought causes the grass to die, the only way to rebuild the golf courses will be to assess the membership millions of dollars. That would be highly controversial. The best way to prevent the golf courses from suffering that fate is to ensure the availability of an independent source of water.

BOARD GOAL:

At the June 13, 2017, meeting of the Board of Directors, the Board established a goal of exploring the benefits and constraints of a water reclamation facility. Brezack & Associates Planning consultants agreed to provide a pro bono Opportunities and

Constraints Technical Memorandum as the first step in exploring water reclamation. James Brezack will present his Analysis to the Board at the meeting.

ATTACHMENTS:

GRF - Satellite Recycling Facility Technical Memorandum—Opportunities and Constraints Analysis

CRITERIA	Project: Opportunities and Constraints Analysis
Financial Impact	N/A
Operational Efficiencies	N/A
Dependencies	N/A
Subsequent Actions	This Analysis represents stage 1 in the determination of whether to proceed with water reclamation. If the Board decides to move forward to stage 2, there are additional costs and extensive analyses that would be required.
Alternatives/Options	Do not proceed to stage 2
Time-Frame	N/A
Advantages/Benefits	A water reclamation facility would ensure an independent water supply for the golf courses.
Disadvantages/Risks	Without an independent water supply, the golf courses as an amenity, a firebreak and an evacuation zone would be at risk in future droughts.

AGENDA ITEM 11A ATTACHMENT

**WATER RECLAMATION FACILITY
OPPORTUNITIES AND CONSTRAINTS ANALYSIS**

The analysis is available for review by appointment in the GRF Board Office at Gateway Complex. If you would like to review it, please call (925) 988-7710 to schedule an appointment to review it.

Meeting Date: April 26, 2018

**SUMMARY REPORT
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

REPORT PREPARED BY:

Jeff Matheson, Director of Resident Services

REQUESTED ACTION/RECOMMENDATION:

Authorize the CEO to execute an agreement with PSM Architects, Inc., to complete the design and construction documents for the renovation of the workshops at Gateway Clubhouse in an amount not to exceed \$83,000, which includes a contingency, to be paid from the Trust Estate Fund.

BACKGROUND:

One of the Board's goals for the Board year is to continue the project of renovating the workshops at Gateway Clubhouse. The Board has previously supported preliminary study and design work as the first step in the process. Based on this preliminary design, staff drafted a Request for Proposals (RFP) that was sent to six design firms. The RFP is for design services to complete a final design and prepare construction documents for permitting and construction. A total of four firms provided proposals. The proposals have been reviewed by staff as well as representatives from each of the workshops (ceramics, sewing, lapidary, woodshop, and art). Two firms were invited for an interview. Based on the proposal and interview the Workshop Renovation Committee is recommending the firm of PSM Architects, Inc.

PSM Architects is a small firm that has been in business since 1961. The firm has specific experience with renovations, workshop style spaces, and consensus building. The Workshop Renovation Committee felt the firm would listen to their interests and help solve problems in a collaborative and creative fashion. The firm has a team that includes an engineering firm to focus on the dust collection system and on lighting design. The firm also uses a general contractor as a partner throughout the process to gain insight into constructability and review options for solving construction related issues in the design process.

Of the four proposals received, PSM Architects was the most affordable. Other proposals ranged as high as \$140,000.

ATTACHMENTS:

PSM Architects proposal

CRITERIA	Project:
Financial Impact	The proposed agreement is for an amount not to exceed \$83,000.
Operational Efficiencies	NA
Dependencies	NA
Subsequent Actions	The design process will include several meetings with each workshop committee. Once design consensus is achieved, the design team will begin preparation of the construction documents, meet with the City to review permitting, and prepare final bid documents.
Alternatives/Options	The Board can decide not to proceed with the design process at this time.
Time-Frame	The preparation of a final design, permitting and construction documents will take 6-8 months. Construction could be scheduled for early 2019.
Advantages/Benefits	PSM Architects was the preferred firm after review of proposals and interviews. The firm is also the most affordable.
Disadvantages/Risks	GRF has no prior experience with the firm of PSM Architects. References, however, provide a positive review and strong recommendation.



March 20, 2018



DESIGN SERVICES PROPOSAL
GATEWAY CLUBHOUSE
WORKSHOPS RENOVATIONS
ROSSMOOR

To: **Golden Rain Foundation**
800 Rockview Drive
Walnut Creek, CA 94595

From: Laile A. Giansetto, AIA
PSM Architects, Inc
1250 45th St. #325
Emeryville, CA 94608
P: 510.655.1922
F: 510.655.5756
laile@psmarchitects.com



March 20, 2018

Golden Rain Foundation
800 Rockview Drive
Walnut Creek, CA 94595

Subject: Gateway Clubhouse
Workshops Renovations
Rossmoor, Walnut Creek CA

Dear Committee Members,

PSM Architects, Inc. is pleased to submit this Proposal to provide Architectural Services for the design and preparation of Tenant Improvement documents for the renovations of the Workshops at the Gateway Clubhouse.

PSM Architects, located in Emeryville, was established in 1961 as Perata & Sylvester as a specialist in retail & commercial architecture. The award-winning firm evolved into PSM Architects, Inc. in 1987 and is now headed by Laile Giansetto, AIA, who is committed to preserving the vision of the original founders: to provide comprehensive and innovative solutions that are both aesthetically and economically sensitive. PSM became a Women's Business Enterprise (WBE) in 2013 and is licensed to practice in California, Nevada and Hawaii. Our reputation is built on excellence in technical design and project delivery services.

This letter and the attached Proposal and Cost Summary are in effect for 90 days.

We appreciate the opportunity to be of service to you professionally. If you have any questions regarding the above, please do not hesitate to call.

Sincerely,
PSM ARCHITECTS, INC.

A handwritten signature in black ink, appearing to read "Laile A. Giansetto".

Laile A. Giansetto, AIA
License No. C22129

PSM ARCHITECTS, INC
1250 45th St. #325
Emeryville, CA 94608
P: 510.655.1922
F: 510.655.5756



Proposal Gateway Clubhouse Workshops Renovations Rossmoor, Walnut Creek CA

OVERVIEW & SUMMARY

PSM architects is excited at the prospect of working with the Board and various Clubs to renovate the Workshops in the Gateway Club house. We have carefully reviewed the Schematic Plans and foresee a fair amount of interaction with the Art Association, Woodshop Supervisors, Sewing Arts, Ceramic Arts, Lapidary & Jewelry Club representatives. It is our goal to help these clubs formulate a cohesive program for what is desired and needed in their respective spaces.

Once the scope is determined we will formulate our design, seeking input along the way from the Club representatives. We propose to work with a General Contractor for cost estimation / pre-construction services. We have found that working with a General Contractor can generally offer more practical insights for completing renovation projects of this type. We have worked with numerous contractors that can fill this role. If selected, we would propose an approach where an appropriate contractor, having completed projects of this similar size and scope, be retained for pre-construction services. We will coordinate our design with their estimation personnel to provide the Client with a cost validation of the proposed design.

We would then present the design and budget to the Board for their review and approval.

Once approval has been granted we would proceed with finalizing the Construction Documents. Our scope would include submitting to all the required agencies for permits, assisting the client with Bidding and with Contract Administration as outline below.

DETAILED WORK PLAN

I. Architectural Services will be provided as follows:

A. Design Development Phase:

1. Review documents provided to PSM including schematic plans and individual Clubs program priorities
2. Meet with Clubs to resolve any open issues or conflicts
3. Confirm proposed project schedule and milestones
4. Create a schematic design review checklist to address code or accessibility issues, program conflicts, and prioritize items
5. Coordinate with Rossmoor Representative for Board presentations to discuss and build consensus on project priorities and Club designs
6. Develop the approved schematic design documents including plans, sections, elevations, and typical construction details
7. Coordinate mechanical, plumbing and electrical requirements with consultants

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Proposal Gateway Clubhouse Workshops Renovations Rossmoor, Walnut Creek CA

8. Provide equipment schedule and coordinate specifications with consultants
9. Provide sustainable lighting solutions throughout
10. Provide sustainable material selections
11. Provide layouts of building systems
12. Provide outline specifications that identify major materials and systems
13. Provide Design Development document set for review and approval
14. Work with General Contractor to review their cost estimate to target project budget

B. Construction Document Phase:

1. Review unresolved issues on the Design Development Checklist
2. Further develop drawing documents-enlarged plans, doors and hardware, details, and specifications
3. Develop detailed drawings for custom millwork and display areas
4. Review budgets and production schedules
5. Confer with regulatory agencies and establish a schedule for submission and review
6. Submit drawings to owner for 50% review
7. Update project cost estimate and schedule with General Contractor
8. Obtain schedule and delivery for owner furnished items
9. Further develop material specifications
10. Submit drawings to owner for 100% review

C. Construction Permitting Phase Services include the following:

1. PSM will fill out all applications and submit for review to local Building Department.
2. PSM will make all submittals and approval coordination with local County Health Department and will be provided by Client.
3. Permit and plan check fees are not included, however, if fees are requested and paid by PSM, fees will be invoiced as reimbursables at cost plus 10%.
4. Costs have not been included for obtaining planning approval, special permits such as variance permits, demolition permits, sign permits or utility company clearances.
5. PSM will respond to two rounds of reasonable and customary Building Safety Department plan check corrections.

D. Bidding Phase:

1. Assist Client in obtaining Bids as described in AIA Document B101-2007, paragraph 3.5.1

E. Contract Administration:

1. Provide contract administration assistance as required to respond to RFI's, submittals, and provide clarification of design intent.

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Proposal Gateway Clubhouse Workshops Renovations Rossmoor, Walnut Creek CA

II. Preliminary Schedule:

1. Design Development Phase: (5 weeks)
(Tasks- Design, Drawings, Site Meetings, and Correspondence)
 - a. Principal 20 hours
 - b. Project Architects 32 hours
 - c. CAD 75 hours
 - d. Administrative 4 hours

2. Construction Documents Phase: (8 weeks)
 - a. Principal 12 hours
 - b. Project Architects 30 hours
 - c. CAD 60 hours
 - d. Administrative 4 hours

3. Permitting & Bidding: (12 weeks)
 - a. Principal 3 hours
 - b. Project Architects 8 hours
 - c. CAD 8 hours
 - d. Administrative 2 hours

4. Contract Administration: (duration TBD)
 - a. Principal 3 hours
 - b. Project Architects 30 hours
 - c. CAD 5 hours
 - d. Administrative 2 hours
 - e. Site Visits

Architects	1 preliminary, 2 during construction, 1 final
MEP Engineers	1 final



Proposal Gateway Clubhouse Workshops Renovations Rossmoor, Walnut Creek CA

MANAGEMENT & TEAM

1. Architectural Team: PSM Architects, Inc.

LAILE A. GIANSETTO, AIA - President, Architect, CA License

Laile's experience ranges from the initial programming of a project to completion of construction documents and assisting with Contract Administration for both new and renovation projects. Laile has worked on a variety of different project types including offices and work spaces, tenant improvements, restaurants, complete shopping centers and freestanding buildings. She has successfully presented and secured approvals of governing agencies, from preliminary design through permitting. Laile has been associated with PSM Architects since 1988 and became majority owner in 2013. She is well versed in working closely and cooperatively with her clients, ensuring that their expectations are met while delivering projects and in a timely and efficient manner. Laile is an excellent facilitator who understands how to bring different ideas and team members together in a way to best suit the project.

BING YOUNG - Architect, NCARB certified

Bing has had over 28 years of professional experience. In the commercial sector, he has managed office, retail, supermarket, restaurant, automotive, warehouse and sports facility projects. In the residential sector, he has managed single & multi-family, custom, spec, addition/remodel, and mixed-use developments. As a project manager, designer, and permit facilitator, Bing is experienced in meeting with clients to hear specific needs of a project and addressing neighborhood concerns for new development. Bing is involved in preparing schematic design and contract documents and oversees the office design team through all phases of a project. Bing believes open and clear communication between the client, consultant, contractor, governing agencies and office personnel is vital to the success of a building project and pays meticulous attention that all parties involved are heard.

SARAH RUPLIN - Architect, NCARB Certified

As an artist herself, Sarah brings a unique perspective to this project. With over 20 years of experience, she has worked on numerous projects for the Arts. Highlights include The National Museum for the American Indian, The Cooper Hewitt Museum for Smithsonian, the Eleanor D. Wilson Museum and the Richard Wetherwill Arts Center at Hollins University, the Center for Book Arts at Open Book Minneapolis, among others. She brings a fresh design viewpoint and her work ranges from small scale furniture design-build to large scale urban redevelopments. Prior to joining PSM Architects, Sarah worked for notable design firms in New York including Gensler,

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Proposal Gateway Clubhouse Workshops Renovations Rossmoor, Walnut Creek CA

EE&K- Perkins Eastman, and while in Minneapolis, Meyer, Scherer, and Rockcastle. She is passionate about sustainable approaches to design.

2. Consulting Engineer Team:

KEVIN MOORE - Electrical Engineer

Kevin Moore at Belden Consulting Engineers has been active in the electrical engineering profession for forty years. He has worked on four Rossmoor projects previously. Kevin has developed specialized experience with grocery establishments, tenant improvements, parking structures, office buildings, banks, residential, hi-tech offices, retail, restaurants, and shopping centers. As President and one of four project managers, Kevin is responsible for overall project coordination, determining budget and schedule, establishing direction and design review to ensure the satisfaction of the client's needs. He also manages the construction administration as required to assist in the completion of a successful project.

JOHN CHOU - Mechanical Engineer

John Chou of H&M Mechanical Group became one of the company's principals in April of 2012. He joined H&M Mechanical Group 15 years ago and is a consummate engineer working on multiple projects in the design of heating, ventilating, and air conditioning. Prior to joining H&M Mechanical Group, John was employed by an Energy Savings Service Company providing recommendations to his clients. His recent project include a historic building, Maritime Child Care Center, which received an LEED Gold award. Main Street Village Apartments was named Project of the Quarter by the California Multi-Family New Homes (CMFNH) organization. This project surpassed goals for 2005 Title 24 standards, which qualified the project for an Energy Rebate from PG&E. In addition, John has been associated with several other projects that have received substantial Energy Rebates from PG&E.

STEPHEN WAFER - Plumbing Engineer

Stephen joined H&M Mechanical Group in the Fall of 2014 with previous experience from ACCO Engineered Systems and WSP Flack & Kurtz. He has worked extensively on projects such as high-rise office and retail buildings, hospitals, R&D and correctional facilities, schools, and a myriad of others project types. Stephen has over 20 years of design experience.

Structural Engineer – MBA Structural Engineers

Structural Services are not included in our proposal as scope cannot be determined at this time. Please see attached Project Qualification Summary for MBA, in the event their services are needed.

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Proposal Gateway Clubhouse Workshops Renovations Rossmoor, Walnut Creek CA

Project Experience:



Shops Building Remodel, Burlingame CA



**Proposal Gateway Clubhouse Workshops
Renovations Rossmoor, Walnut Creek CA**



New Office/ Retail Building, Burlingame CA



New Safeway Store, Burlingame CA

PSM ARCHITECTS, INC
1250 45th St. #325
Emeryville, CA 94608
P: 510.655.1922
F: 510.655.5756



Proposal Gateway Clubhouse Workshops Renovations Rossmoor, Walnut Creek CA



New Safeway Store, Burlingame CA



Dos Coyotes Restaurant, San Ramon CA

References:

PSM ARCHITECTS, INC
1250 45th St. #325
Emeryville, CA 94608
P: 510.655.1922
F: 510.655.5756



Proposal Gateway Clubhouse Workshops Renovations Rossmoor, Walnut Creek CA

Brad Duey
Cost Plus World Market
1201 Marina Village Parkway
Alameda CA 94501
(510) 928-3113

Fred Ponce
ArcPath Project Delivery, Inc.
580 Second Street, Suite 260
Oakland CA 94607
(415) 362-4662

Brad Hoskins
United Rental
2249 Davis Court
Hayward CA 94545
(510) 329-8581

Jeanine Fuller
SD Deacon
17880 Fitch
Irvine, CA 92614
(916) 869-4510

FORM AGREEMENT

Regarding the "General Consultant Services Agreement", we would request that the Indemnification paragraph be revised per the following in order to meet our Insurance company's requirements:

"Indemnification. To the extent permissible by law, Consultant shall indemnify and hold GRF and its officers, directors, and employees from and against any and all liabilities for damages of any nature whatsoever, arising out of the performance of the Work described herein to the extent actually caused by any intentional or negligent act or omission of Consultant, and/or its directors, employees, agents or subcontractors and anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. Consultant's indemnification obligation shall not extend to Claims arising out of the negligence or willful misconduct of GRF or its officers, directors, employees and/or agents or any other third party.

Consultant's liability under this agreement shall be cumulatively limited to amounts available under its insurances. Consultant shall have no affirmative duty to defend any party."

CONSULTANT INFORMATION

Please see the attached firm profiles of our engineering team:

Belden Consulting Engineers
H&M Mechanical Group
MBA Structural Engineers, Inc

PSM ARCHITECTS, INC
1250 45th St. #325
Emeryville, CA 94608
P: 510.655.1922
F: 510.655.5756

SERVICE ORIENTED	The main focus of BELDEN Consulting Engineers is to provide a high level of service to our clients. We are organized to meet objectives, goals and deadlines for each project.
QUALITY ENGINEERING	We provide full service mechanical, plumbing and electrical engineering with an emphasis on economical, logical, trouble-free design throughout construction and the project's life.
PROFESSIONAL APPROACH	Each project has a project manager/engineer working with designers, affording back up for design and client contact.
STAFF VERSATILITY	A staff of 22 professional engineers, designers, and support personnel offer a broad range of experience that is drawn upon as needed for each project.
COMPUTER PROGRAMS	BELDEN Consulting Engineers offers a complete array of software programs to complement the engineering services available to our clients. All plans are prepared using the latest version of AutoCAD or Revit.
COMPREHENSIVE EXPERIENCE	
Residential:	High-Density Multi-Family Projects, Senior Residential Projects, Apartments, Townhouses and Custom Single Family Homes.
High-rises:	Residential, Commercial and Mixed-use Projects.
Industrial:	Laboratories, Pump Stations, Emergency Generators, Train Stations, Ports, Piers, Substations, Vehicle Maintenance Facilities, Manufacturing Plants, Telecommunication Facilities and Computer Facilities.
Institutional:	Schools, Hospitals, Civic and Military, and Health Care Facilities.
Commercial:	Offices, Malls, Shopping Center Complexes, Retail, Restaurants, Hotels, Manufacturing Facilities and Street Lighting.
Public:	Parks and Recreation, Churches, Schools, City and County Buildings, Fire and Police Stations, Museums, Airports, Libraries, City Halls and Emergency Operations Centers.
Outdoor:	Parking Structures, Roadways, Parks, Sports Fields, Parking Lot & Street Lighting, and Building Enhancements including PV System Designs.
Consulting:	Studies, Title 24 compliance, LEED certification, Lighting Design, Energy Studies, Due Diligence Reports and Peer Reviews.
LICENSED	Arizona, California, Hawaii, Nevada, Oregon and Washington.
LOCATION	Our 50 year old firm is centrally located in Pleasanton, California.

H&M MECHANICAL GROUP

H&M Mechanical Group was founded in 1984 by Gary Hennings and Mel Miyakado. We are a mechanical engineering organization that provides Heating, Ventilating and Air Conditioning Systems design, Plumbing System design, Fire Sprinkler System design and Energy Analysis. Through time brings change, and H&M Mechanical introduced John Chou as the replacement principal to Mel Miyakado as Mel retired in 2012. John has contributed 14 years of experience with H&M Mechanical Group and now adds a new dimension to his role in our organization.

H&M's engineering approach is streamlined and fundamental, not elaborate and theoretical. When designing a system, the elements are based on budget, type of occupancy, and energy usage. Incorporating these considerations in the building design is Leadership in Energy and Environmental Design (LEED), Collaborative for High Performance Schools (CHPS), and CalGreen, which have set the parameters for building designs. With LEED Accredited Professional personnel, H&M is familiar with these requirements while working on projects which have gone through this certification process.

H&M strives to be at the forefront of the changes in design technology, enabling us to be a pro active participant in the industry. H&M has continuously kept abreast with the computer assisted drafting software using the most current version of Autodesk CAD and the Revit BIM platforms.

The most important design consideration is listening to the owner. The final product cannot begin to meet the owner's needs until the owner has conveyed their needs and desires. Upon which, a strategy can be integrated into the project. This is an iterative process from conceptual design and the value engineering process whereby the final documents will illustrate these diverse needs and constraints.

"Response Time" is an important concept at H&M. Our team is committed to providing superior customer service by working in partnership with architects, owners, and other consulting teams. By responding to all phone and email inquiries, submittals, and questions appropriately and timely, we aim to generate a high level of satisfaction.

For comprehensive information on H&M Mechanical Group, please visit our website at:

www.hm-mechanical.com

MBA STRUCTURAL ENGINEERS
 I N C O R P O R A T E D

Workshops at Gateway Clubhouse Rossmoor - Walnut Creek, CA

Project Qualifications

MBA Structural Engineers is a leading structural engineering firm for low-rise, wood-framed buildings here in the Bay Area. The engineers in our office are experienced veterans who offer an exceptional level of service to our clients. We are regularly praised by building officials and contractors alike on the clarity and completeness of our drawings, and we provide prompt and responsive service during construction.

Our projects include commercial, retail, and office buildings, religious and educational facilities, and residential structures, and range in size from minor remodels and tenant improvements to large scale regional shopping centers with multi-million dollar construction budgets. We specialize in wood-framed structures and have designed thousands of wood-framed buildings throughout California.

The majority of our work is for owners, architects, and developers, including the following nationally known retail clients:

Safeway	Subway	Sports Chalet
Apple	Burlington Coat Factory	Blockbuster
Walgreens	AT&T	Pixar
CVS	Wendy's	Staples
Sports Authority	Nike/Gymboree	Whole Foods
REI	Gold's Gym	Harley Davidson
Starbucks	Ross Dress for Less	Office Depot
24 Hour Fitness	Fresh & Easy	Trader Joe's

We previously were the Structural Engineer of Record for the Pool Enclosure at Rossmoor. Additionally, other local projects include Blackhawk Fitness Center, Acalanes High School District Office, and structural evaluation and assessment of the Rossmoor Shopping Center.

Matt Bertics, S.E., is President of the firm and would manage this project. He received his Masters Degree in Structural Engineering from Stanford University in 1986 and his Bachelors Degree in Civil Engineering from Duke University in 1985. He is currently licensed in California, Nevada, Colorado, and Hawaii.

References

Brian Hirahara	BH Development	925-935-6800
Ron Taylor	Terra Nova Industries	925-934-6133
Robert Woods	Danville Chief Building Official	925-314-3373



Cost Proposal
Gateway Workshops Renovation, Rossmoor

Golden Rain Foundation
800 Rockview Drive
Walnut Creek, CA 94595

Subject: Gateway Clubhouse
Workshops Renovation
Rossmoor, Walnut Creek CA

I. Fee Proposal:

A. The Total Fee to provide Architectural Services listed in the Project Proposal will be \$65,330.00, SIXTYFIVE THOUSAND AND THREE HUNDRED & THIRTY NO/100 DOLLARS, as follows:

Table with 2 columns: Service Category and Amount. Rows include Design Development Phase Services (\$23,855.00), Construction Document (\$27,940.00), Bid Phase Services/Permit Phase Services (\$3,925.00), Contract Administration Phase Services (\$9,610.00), and Total Fee (\$65,330.00).

B. Payment Schedule:

- 1. Retainer (\$7,000) will be required prior to commencement and will be applied to the Final Invoice.
2. Payments shall be monthly according to the percentages completed for each phase.
3. Payments are due within thirty (30) days of billing. Interest at a rate of 12% per annum, compounded monthly, shall be accrued on all invoices more than thirty (30) days past due.

C. Architect's Additional Services:

- 1. The Architect's additional services are all services rendered other than those specifically defined as basic services described above. They include but are not limited to, changes in design, whether at the request of the Client, Architect's Agency or Contractor's request upon prior approval by the Client, Architect shall be paid as set forth in paragraph D, unless otherwise agreed in writing.



**Cost Proposal
Gateway Workshops Renovation, Rossmoor**

2. Compensation:

a. PERSONNEL	HOURLY RATE
Principal	\$185
Architect	\$165
Architectural CAD	\$135
Clerical	\$ 85
Principal Engineer	\$237
Project Manager/Engineer	\$190
Engineering Designer	\$165
Engineering CAD	\$125
b. REIMBURSABLES	RATE
Travel, Subsistence & Misc. Expenses	cost + 10%
Permit Fees	cost + 20%
Outside Reproduction Services	cost + 10%
Overnight mail & Delivery	cost + 20%
Subcontracted Services	cost + 10%
Mileage	\$.565 per mile

D. Payment Schedule:

1. First payment (\$6,500) will be required prior to commencement and will be held as a Retainer. Retainer to be used for payment of final invoice.
2. Payments shall be monthly according to the percentages completed for each phase.
3. Payments are due within thirty (30) days of billing. Interest at a rate of 12% per annum, compounded monthly, shall be accrued on all invoices more than thirty (30) days past due. Failure to pay: If invoice(s) become past due over 90 (ninety) days, from invoice date, Architect shall have the unilateral and unequivocal right to suspend performance of services under this agreement and withhold its instruments of service without liability for delay or for consequential or other damages which may result there from.

E. General Assumptions:

1. Electronic drawing base plans, in dwg format, prepared for Schematic Design will be provided for our use.
2. Soils Report, if required, will be provided by the client



Cost Proposal Gateway Workshops Renovation, Rossmoor

F. The Architectural Services do not include the following:

1. Reports and/or studies for State and/or Federal Energy Conservation requirements.
2. Governmental meetings, public hearings or reports.
3. Architectural renderings, 3D perspectives and/or models.
4. Project related application and/or permit fees.
5. Soils Report.
6. Structural Engineering plans, calculations and specifications
7. Requested or required additional review of construction.
8. Costs incurred for plan changes: revisions and/or additions to the original design.
9. Asbestos Report/Abatement dwgs and/or coordination of any kind.
10. Sitework
11. As-builts
12. Commissioning services
13. Cal Green included calculations and documentation as need for conformance with the Mandatory Measures only
14. Revisions and/or design changes by the client after design development or 50% of the construction documents are completed.
15. Special studies or reports not listed above as included (Environmental, Structural Seismic Analysis, etc.).
16. Compressed air system design
17. Detailed cabinetry or fixture drawings.
18. Design/build items including, but not limited to: Fire Sprinkler system plans and/or coordination
19. Special inspections, as required by the permitting agency shall be the responsibility of the owner and is not included as part of this proposal.
20. Confirmation or documentation of accessibility compliance for site
21. Coordination with consultants for work beyond the scope of this proposal.
22. Site visits beyond what is stipulated in the Proposal.

G. Design Liability:

1. The Architect and Client understand and agree that this Contract does not include the performance of any professional services; including, but not limited to, the preparation of reports, designs, drawings, and specifications, related to the investigation, detection, abatement, replacement or removal of products, materials, or processes containing asbestos and/or other hazardous waste materials. Client hereby agrees to bring no claim for negligence, breach of contract, indemnity, or otherwise against the Architect, his principals, employees, agents, or consultants, arising out of or relating to, the presence of asbestos and/or any other hazardous waste materials in the project.



Cost Proposal Gateway Workshops Renovation, Rossmoor

2. PSM Architects and their Consultants are not responsible for the job safety in or around the site. Any reviews we may make are not to be intended as reviews of the safety practices.
3. Client understands and agrees that the Architect and their Consultants are not responsible for means, methods, or sequences of construction, job site safety, nor for the Contractor's errors.

We appreciate the opportunity to be of service to you professionally and look forward to working with you.

Sincerely,
PSM ARCHITECTS, INC.

A handwritten signature in black ink, appearing to read "Laile A. Giansetto", is written in a cursive style.

Laile A. Giansetto, AIA
License No. C22129

Meeting Date: April 26, 2018

**SUMMARY REPORT
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS**

REPORT PREPARED BY:

Paul Donner, Director of Mutual and Trust Operations

REQUESTED ACTION:

Consider approving an expenditure up to \$13,000 from the Trust Estate Fund and authorizing the CEO to execute a contract with Red Cloud Wireless Voice and Data to replace two radio repeaters that assist with staff two-way radio communication.

BACKGROUND:

GRF staff uses a two-way radio system to communicate with each other during a normal work day. The radios are essential to safe and efficient operations. The radios are used by MOD, Securitas, Janitorial and Transportation. The GRF system uses two radio repeaters located at different sides of the valley. The radio repeaters allow the two-way radio system to communicate over longer distance and over different frequencies.

Currently both repeaters have failed which has greatly reduced radio coverage. The repeaters are 10 years old and are no longer repairable. Staff is recommending replacing both repeaters. The new repeaters are a Capacity Plus system, which will allow four groups to talk at the same time.

ATTACHMENTS:

None

CRITERIA	Project:
Financial Impact	\$13,000 will be spent from the Trust Estate Fund.
Operational Efficiencies	New radio repeaters will greatly improve radio coverage and allow for more simultaneous usage.
Dependencies	None.
Subsequent Actions	If the Board approves the request, a contract will be executed by the CEO and staff will proceed to have the repeaters installed.

Alternatives/Options	Move to a cell phone based system.
Time-Frame	Immediately upon approval.
Advantages/Benefits	A safer more efficient radio system will be in place.
Disadvantages/Risks	None.