

# A G E N D A

## FINANCE COMMITTEE

REGULAR MEETING  
TUESDAY, DECEMBER 4, 2018, AT 9:00 AM  
BOARD ROOM – GATEWAY COMPLEX

1. MEETING CALLED TO ORDER: F. William Dorband, Chairman
2. ROLL CALL: Dorband, Autrey, Moderacki, Neff, Rosenzweig, Temple, and Yearout
3. APPROVAL OF REPORT OF OCTOBER 23, 2018 (Attachment)
4. RESIDENTS' FORUM
5. CHAIRMAN'S REPORT – ANNOUNCEMENTS
6. STAFF REPORTS
  - a. CEO – General Comments
  - b. CFO – Monthly GRF Financials (copy in GRF Board Office Finance Committee mailbox)
  - c. Director of Mutual and Trust Operations – Trust Facilities and Property Maintenance, Projects, and Machinery/Equipment Acquisition Reports (Attachments)
7. UNFINISHED BUSINESS
8. NEW BUSINESS
  - a. Consider recommending to the Board an expenditure in the amount of \$516,500 from the Trust Estate Fund for the Machinery & Equipment Budget. (Attachment)
  - b. Recommend the Board authorize the CEO to execute an agreement with AMAC construction to complete the Dollar Ramp project and add additional funding to the project budget in the amount of \$25,000. (Attachment)
  - c. Consider approving a recommendation from the Planning Committee to relocate the Hillside Clubhouse sign at Lower and Upper Golden Rain Road to improve sight distance, for a cost of \$1,760 from the 2018 Operating Budget. (Attachment)
  - d. Consider authorizing the CEO to execute a Memorandum of Agreement with Enovity to evaluate, design, and complete energy efficient upgrades to GRF property utilizing the 0% interest On Bill Financing Program. (Attachment)
  - e. Discussion of the Membership Transfer Fee and the Finance Committee's Charter responsibility to annually review the MTF and advise the GRF Board as to any recommended increases or decreases in that fee. (Attachment)
9. ADJOURNMENT
10. NEXT REGULAR MEETING: Tuesday, January 29, 2018, at 9:00 a.m. in the Board Room at Gateway Complex.

cc: GRF Board

## FINANCE COMMITTEE REPORT

REGULAR MEETING  
TUESDAY, OCTOBER 23, 2018, AT 9:00 A.M.

A regular meeting of the Finance Committee was convened by F. William Dorband, Chairman, at 9:00 a.m. on Tuesday, October 23, 2018, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Jean A. Autrey, Vice Chair, Paul J. Moderacki, Mary K. Neff, Paul Rosenzweig, Della C. Temple, and Gery Yearout. Also attending were Robert D. Kelso, President, Leslie Birdsall, Vice President, Geraldine Pyle, Secretary, and Sue Adams, Kenneth Anderson, Barbara Coenen, and Stephen D. Roath, Directors, GRF; Timothy O'Keefe, CEO; Richard S. Chakoff, CFO; Jeffrey P. Matheson, Director of Resident Services; Amanda Davis, Senior Accountant; Deborah Rose, Senior Administrative Assistant, Executive Services; and four residents.

The report of the Committee's regular meeting of September 25, 2018, was approved as written. Report Approved

Mr. O'Keefe provided an update that the Board officers for GRF made a decision to split the capital budget request, which will occur at the December meeting, into two separate pieces. The first part, Machinery and Equipment, will occur in December and the second part, projects, etc., in January. Secondly, the EV charging stations at the Event Center and the Tice Creek Fitness Center are still waiting approval from PG&E. Thirdly, the solar array ground breaking is tentatively scheduled for November 15 at 1:30 p.m. at the MOD RV parking lot. Additionally, the Gateway Studios planning and design work continues; the water reclamation feasibility study is expected in February; and the Audit Committee is revising its Charter and expanding its Whistleblower Policy. Lastly, Mr. O'Keefe made an announcement that PG&E will be holding a presentation on what it is doing to mitigate fire. The presentation will be held on Tuesday, October 30 at 3:00 p.m. in the Event Center. Staff Reports

Mr. Chakoff updated the Committee regarding the reserve study, which should be done by the end of the year.

During the Residents' Forum, Bobbie Ausubel expressed her concerns regarding a Third Walnut Creek Mutual CC&R issue. The Chairman clarified that the Finance Committee does not handle mutual concerns and only covers GRF financial issues. Ms. Neff then informed Ms. Ausubel that the upcoming GRF Board meeting held on October 25 will cover the Third Walnut Creek Mutual CC&R issue in question. Residents' Forum

Mr. Chakoff reviewed the GRF Statement of Operations for September and answered questions from Committee members. Staff Reports Cont.

Mr. Chakoff then reviewed the MOD financial statements for September and answered questions from Committee members.

Mr. Chakoff lastly reviewed the September Trust Facilities and Property Maintenance Report, the Capital Projects Budget and Expenditure Report, and the Machinery & Equipment Budget and Expenditure Report. Discussion followed.

The Chairman then reviewed agenda item 8a, consider recommendation to the GRF Board regarding the annual lease rates for the RV parking lot for 2019 and a 3% escalator for each year after. Mr. Matheson provided an overview of the line item. Discussion followed. 2019 Rates for RV Parking

A motion made by Ms. Neff, seconded by Ms. Autrey, and CARRIED UNANIMOUSLY to recommend to the GRF Board that new annual lease rates for RV parking lot be implemented for 2019. It's a two-tiered rate of \$500 for covered parking and \$350 for uncovered parking and it will also have a 3% escalator for each year.

The Chairman then reviewed agenda item 8b, Planning Committee to present a status update regarding the Project Criteria Template and scores. Leslie Birdsall, Chairman of the Planning Committee, presented an overview of this line item. Discussion followed. Project Criteria Template Presentation

There being no further business to come before the Committee, the meeting was adjourned at 10:23 a.m. Adjournment

The next regular meeting of the Finance Committee will be held on Tuesday, December 4, 2018, at 9:00 a.m. in the Board Room at Gateway Complex. Next Mtg. 12/4/18

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F. William Dorband, Chairman  
Finance Committee

dr

**YR2018 TRUST FACILITY / PROPERTY MAINTENANCE  
COST & COMMITMENT REPORT**  
Reporting Period: October 2018

Project	Approved Budget	Reporting Period Expenditures	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget	Status
<b>Dollar</b>							
Pool Deck Repairs	20,000	0	0	16,750	16,750	3,250	
Patio Lights Replacement	8,000	0	5,870	0	5,870	2,130	
Restroom Casualty Loss	0	(30,336)	100,000	0	100,000	(100,000)	* See Note
<b>Gateway</b>							
Painting	75,000	13,284	41,715	33,285	75,000	0	
<b>Public Works</b>							
Street Maintenance	50,000	32,700	49,200	3,000	52,200	(2,200)	
Sidewalk Maintenance	65,000	25,660	53,054	11,946	65,000	0	
Water, Drainage, Sewer Maintenance	16,000	1,014	2,977	13,023	16,000	0	
<b>Open Space</b>							
Open Space Maintenance	25,000	0	13,150	11,850	25,000	0	
Defensible Space Fire Abatement	15,000	1,800	14,680	320	15,000	0	
Trails Maintenance	10,000	5,775	7,101	2,899	10,000	0	
<b>Valleywide</b>							
Equipment Replacements	38,000	0	7,820	30,180	38,000	0	
Fence Painting (Dollar & Hillside Pools)	22,000	0	17,105	0	17,105	4,895	
Facilities Wood Staining	50,000	0	40,150	9,850	50,000	0	
Flooring Repairs	15,000	6,068	6,068	8,932	15,000	0	
<b>Golf Course</b>							
Cart Path Repair Program	45,000	44,100	44,100	0	44,100	900	
<b>TOTAL</b>	<b>454,000</b>	<b>100,064</b>	<b>402,989</b>	<b>142,036</b>	<b>545,025</b>	<b>(91,025)</b>	

\* Note: Incurred to date includes all cost incurred for this project.

2017 - \$106,167

2018 - \$24,539

**CAPITAL PROJECTS  
BUDGET AND EXPENDITURE REPORT**  
Reporting Period OCTOBER 2018

<b>Project</b>	<b>Approved Budget</b>	<b>Reporting Period Expenditures</b>	<b>Incurred To-Date</b>	<b>Forecast To-Complete</b>	<b>Est. Final Expenditure</b>	<b>Under/(Over) Budget</b>
Del Valle Renovation Project	9,705,085	(1,431)	9,752,443	0	9,752,443	(47,358)
Valley-Wide Paving	460,000		390,038	69,962	460,000	0
Drop Creek Structure Construction	950,000		832,104	8,396	840,500	109,500
Del Valle Pools Project	520,000		533,736	0	533,736	(13,736)
Creek Restoration Design & Project Management	222,177			222,177	222,177	0
Repave MOD Parking Lot	211,500			211,500	211,500	0
Water Reclamation Facility Study	150,000	17,880	51,816	98,184	150,000	0
Hillside Clubhouse Improvements	130,000		122,728	7,272	130,000	0
Corp Yard Fire & Domestic Water Lines Replacement	120,000			120,000	120,000	0
Vehicular and Pedestrian Safety Improvements	115,899	82,213	84,537	31,362	115,899	0
Rossmoor Gardens Restroom	88,000	54,798	59,169	28,831	88,000	0
Gateway Workshops Renovation Design	83,000		12,668	70,332	83,000	0
Dollar Clubhouse Accessibility Improvements	80,000	4,057	16,531	63,469	80,000	0
Rossmoor & Cactus Gardens Fencing Replacement	65,000		41,687	23,313	65,000	0
Dollar Ranch Ninth Green Reconstruction	60,000	50,539	50,539	9,461	60,000	0
Electric Charging Stations	55,000		37,222	17,778	55,000	0
Stanley Dollar Drive Parking	26,021	21,375	21,375	4,646	26,021	0
MOD Conference Room Remodel	16,500		14,742	1,758	16,500	0
<b>TOTAL</b>	<b>13,058,182</b>	<b>229,431</b>	<b>12,021,335</b>	<b>988,441</b>	<b>13,009,776</b>	<b>48,406</b>

**MACHINERY & EQUIPMENT  
BUDGET AND EXPENDITURE REPORT**  
Reporting Period: OCTOBER 2018

Project	Approved Budget	Incurred To-Date	Forecast To-Complete	Est. Final Expenditure	Under/(Over) Budget
MOD Vehicles (9)	308,000	280,725	27,275	308,000	0
Backup Generators-Business Resumption	93,000		93,000	93,000	0
Mowers (2)	77,000	71,701	5,299	77,000	0
GRF Vehicles	63,500	58,803	4,697	63,500	0
Nimble Data Storage System-Business Resumption	58,600	58,491	(0)	58,491	109
Rossmoor Website Redesign	49,000	39,200	9,800	49,000	0
Sprayer	45,000	43,295	0	43,295	1,705
NewTek TriCaster Streaming System	45,000	45,000	0	45,000	0
Windscreens Replacement Buckeye Tennis	30,000	8,651	(0)	8,651	21,349
Tractor	30,000	26,934	(0)	26,934	3,066
Heater Replacement Hillside Clubhouse Pool	28,000		28,000	28,000	0
Barracuda Cloud Backup System	20,000	16,933	0	16,933	3,067
RFID Readers	15,850	14,410	1,440	15,850	0
Radio Repeaters (2)	13,000	13,441	(0)	13,441	(441)
Backup Network Server-Business Resumption	11,100	11,587	0	11,587	(487)
Phone System Controller-Business Resumption	10,350	9,283	(0)	9,283	1,067
Battery Backup Gateway-Business Resumption	9,000	8,854	(0)	8,854	146
Flat Screen TV Replacement Event Center	8,000	7,358	0	7,358	642
Scrubber for Hillside Clubhouse	7,900	7,490	(0)	7,490	410
Heater Replacement Dollar Clubhouse Pool	7,000		7,000	7,000	0
Sod Cutter	5,500	5,430	0	5,430	70
<b>TOTAL</b>	<b>934,800</b>	<b>727,588</b>	<b>176,509</b>	<b>904,097</b>	<b>30,703</b>

**Golden Rain Foundation  
Machinery and Equipment Budget  
2019**

Back-up Page	Description	Cost
<b><u>GRF Operations</u></b>		
<b><u>Vehicles</u></b>		
1	Replace 2003 pickup truck unit 2770 with Transit Connect Wagon	38,000
1	Replace 2004 van unit 2777 with Transit Connect Wagon	38,000
1	Transit connect wagon	38,000
<b><u>Golf/Lawn Bowling</u></b>		
1	Replace unit 708 2000 Skid Loader	46,000
1	Replace unit 2700 1999 tee mower	38,000
1	Replace unit 2788 2004 Utility vehicle	32,000
1	Ball picker unit	5,000
1	<b><u>Vehicle Maintenance</u></b>	
	Software program to track vehicle maintenance and inventory	16,000
1	<b><u>Clubhouse &amp; Facilities</u></b>	
	Heater replacement at Dollar Clubhouse pool	7,500
3	<b><u>Public Safety</u></b>	
	Security camera system	35,000
5	<b><u>Rossmoor News</u></b>	
	Rossmoor website improvements	25,000
<b>Total GRF Operations</b>		<b>318,500</b>
<b><u>MOD</u></b>		
2	Replace 2001 unit 2738 F150	28,000
2	Replace 2001 unit 2749 F550 Dump Truck	65,000
2	Replace 2005 unit 2779 F550 Dump Truck	65,000
2	Replace 1998 unit 2670 F250 Service Body	40,000
<b>Total MOD</b>		<b>198,000</b>
<b>Grand Total</b>		<b>\$ 516,500</b>

**Golden Rain Foundation  
Machinery & Equipment Budget  
2018**

**TRUST**

**Vehicles**

- |   |                  |
|---|------------------|
| 1. Replace 2003 pickup truck unit 2770 with Transit Connect Wagon | \$38,000         |
| 2. Replace 2004 van unit 2777 with Transit Connect Wagon          | \$38,000         |
| 3. Replace 2007 pickup truck unit 2811 with Transit Connect Cargo | \$38,000         |
| <b>Requested budget</b>   | <b>\$114,000</b> |

**Golf/Lawn Bowling**

- |   |                  |
|---|------------------|
| 4. Replace unit 708 2000 Skid Loader      | \$46,000         |
| 5. Replace unit 2700 1999 tee mower       | \$38,000         |
| 6. Replace unit 2788 2004 Utility vehicle | \$32,000         |
| 7. Replace ball picker unit               | <u>\$5,000</u>   |
| <b>Requested budget</b>                   | <b>\$121,000</b> |

**Vehicle Maintenance**

8. The existing software program for tracking vehicle maintenance and parts inventory is in need of upgrade. The cost of upgrading the existing program is \$30,000. Staff has identified a new program that will meet the department's needs. The new program is \$16,000.

**Requested budget is \$16,000**

**Clubhouse and Facilities**

9. Historically, one of the 2 pool heaters at Dollar pool gets replaced every year due to complete failure. The pool heaters at Dollar have a shorter lifespan due to the high temperature of the pool.

**The requested budget is \$7,500.**



**MOD**

**Vehicles**

10. Replace 2001 unit 2738 F150	\$28,000
11. Replace 2001 unit 2749 F550 Dump Truck	\$65,000
12. Replace 2005 unit 2779 F550 Dump Truck	\$65,000
13. Replace 1998 unit 2670 F250 Service Body	<u>\$40,000</u>
<b>Requested Budget</b>	<b>\$198,000</b>



DATE: October 22, 2018

TO: Rick Chakoff  
Chief Financial Officer

FROM: Dennis Bell  
Public Safety Manger

Joe Brudzinski  
Information Technology Manager

SUBJECT: Capital Expenditure – Security Camera System

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Amount Requested: \$35,000

The network video recorder (NVR) for the Foundation's security camera system is over nine years old and needs to be replaced. The NVR is the critical piece of equipment the runs the security camera system. During the past several months, the NVR has regularly failed and shuts down. When the NVR shuts down, the security camera system does not work, and video is not recorded. Because of its age, the vendor that services the camera system cannot update the NVR and the NVR must be replaced.

Over the past nine years additional locations with digital cameras have been added to the security camera system. Additionally, as the older analog cameras failed they have been replaced with digital cameras. These new digital cameras and replacement digital cameras have overloaded the capacity of the NVR. When the security camera system was first proposed to the Board, the retention time for video was 30 days. However, with the addition of and replacement with digital cameras only a week of video is now saved. A new NVR will allow for 30-day retention and ensures the security camera system does not fail. Finally, the new NVR will allow for additional digital cameras to be added if the security camera system is expanded.

Currently there is a mix of analog and digital cameras. Analog are the older version cameras and as new cameras were added/replaced, digital cameras were used. Analog cameras record images and then send the signal to a digital video recorder (DVR). The DVR then converts the video from analog to digital signals, compresses the file, and stores it on a hard drive. In contrast digital cameras record the images digitally to and send video directly to the NVR, thus eliminating the DVR.

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In 2018, three analog cameras failed and were replaced with digital cameras. The remaining eight analog cameras will continue to fail and need to be replaced. Replacing the existing analog cameras with digital cameras will ensure that the gate security camera system remains fully functional, and that the highest quality of video is recorded. Furthermore, upgrading all cameras to digital will result in a single security camera system and will eliminate the need for the DVR.



## The Rossmoor News

October 26, 2018

**RE: 2019 CAPITAL BUDGET**

FROM: Maureen O'Rourke. Communications Department

For 2019, additional funds are needed for the websites to cover the following:

- Update the Rossmoor News search feature. Enhance digital content of the News.
- Work on the portal for the Rossmoor site. The web developers will work in conjunction with Javier Roman in Member Services to create a portal on the site.
- Additional work on the new Rossmoor site. The web designers will complete its work on the Rossmoor site in December 2018. However, more work will have to be done in 2019 on the new site that will total \$5,000. One of the reasons for additional work is that there is a large amount of content for the Mutuals and GRF that the web designers are migrating to the new site. The web designers are also working to streamline the backend of the website and minimize plugins to make it as user friendly as possible.

Requested budget: \$25,000

Meeting Date: December 4, 2018

***SUMMARY REPORT  
GOLDEN RAIN FOUNDATION  
FINANCE COMMITTEE***

**REPORT PREPARED BY:**

Jeff Matheson, Resident Services Director

**REQUESTED ACTION/RECOMMENDATION:**

Recommend the Board authorize the CEO to execute an agreement with AMAC construction to complete the Dollar Ramp project and add additional funding to the project budget in the amount of \$25,000.

**BACKGROUND:**

The Dollar Clubhouse accessible ramp project includes the addition of a ramp to the front entry, relocation of accessible parking spaces, replacement of the front door and entry threshold, and the addition of automatic door hardware. The current approved budget in the Trust Estate Fund is \$80,000. A total of three bids were received ranging from \$75,000-\$130,000. AMAC provided the lowest bid at \$75,000. Other project expenses include architects' fees and building permits. The addition of \$25,000 from the Trust Estate Fund is needed to complete the project based on the bids received.

**ALTERNATIVES AND OPTIONS:**

The Board can choose not to complete the project at this time.

**ATTACHMENTS:**

None

Meeting Date: December 4, 2018

**SUMMARY REPORT  
GOLDEN RAIN FOUNDATION  
FINANCE COMMITTEE**

**REPORT PREPARED BY:**

Dennis Bell, Public Safety Manager

**REQUESTED ACTION/RECOMMENDATION:**

Consider approving a recommendation from the Planning Committee to relocate the Hillside Clubhouse sign at Lower and Upper Golden Rain Road to improve sight distance, for a cost of \$1,760 from the 2018 Operating Budget.

**BACKGROUND:**

At its November 8, 2018, meeting, the Planning Committee recommended that the Hillside Sign be moved back to enhance sight distance. The concern is that the Hillside Clubhouse sign is interfering with sight distance for drivers looking west from northbound Lower Golden Rain to westbound Upper Golden Rain Road. Staff reviewed this concern and determined that the sign does interfere with sight distance (see attachment #1).

The position of the sign causes drivers to pull forward into the crosswalk. Staff watched this intersection and saw three vehicles that pulled into the crosswalk before coming to a complete stop. The sign is metal and is mounted on sealed metal uprights that are set in concrete. The ground around the sign is landscaped and irrigated. The landscape will need to be removed, the sign moved, and the landscaping replaced. Trust Maintenance Staff can move the sign and the landscape work will be completed by the Trust landscape contractor BrightView.

**ATTACHMENTS:**

1. Picture of the Hillside Clubhouse sign.

<b>CRITERIA</b>	Project: Traffic Safety: Moving Hillside Clubhouse Sign
<b>Financial Impact</b>	\$1,760 from the 2018 Operating Budget for the removal and replacement of landscaping. The sign will be moved by Trust

	staff and the costs absorbed in the existing budget.
<b>Operational Efficiencies</b>	N/A
<b>Dependencies</b>	None
<b>Subsequent Actions</b>	If approved, Staff will schedule the work.
<b>Alternatives/Options</b>	Don't move the sign
<b>Time-Frame</b>	If approved, the work will be completed prior to the end of 2018.
<b>Advantages/Benefits</b>	Improves safety and increases sight distances for drivers and pedestrians.
<b>Disadvantages/Risks</b>	None

Attachment #1





Meeting Date: December 4, 2018

***SUMMARY REPORT  
GOLDEN RAIN FOUNDATION  
FINANCE COMMITTEE***

**REPORT PREPARED BY:**

Jeff Matheson, Resident Services Director

**REQUESTED ACTION/RECOMMENDATION:**

Consider authorizing the CEO to execute a Memorandum of Agreement with Enovity for their turnkey energy efficient project development and implementation program utilizing PG&E's 0% On Bill Financing.

**BACKGROUND:**

Enovity is a company based in the Bay Area that focuses on energy efficient projects. The company has developed a turnkey process where they will complete an energy audit to identify potential efficiency projects and then carry the potential project through to completion. The potential projects must meet criteria of a 10-year return on investment. Identified projects are submitted to PG&E for any qualifying rebates and for approval to be financed through PG&E's On Bill Financing program with a zero percent interest rate.

Enovity provides turnkey service where they complete the design, permitting, qualifying with PG&E, contracting, and closeout of all approved projects. Enovity is reimbursed for all costs directly from the PG&E On Bill Financing program. GRF pays the 0% interest loan through the monthly PG&E billing with the savings from the energy efficient project over a maximum 10-year period.

The Memorandum of Agreement requires GRF to reimburse Enovity for their incurred expenses in developing projects, should GRF decide not to proceed with projects that meet the set criteria for return on investment and qualifying for PG&E On Bill Financing. The maximum exposure to GRF is \$75,000 should GRF decide to pull out of the agreement once costs are incurred by Enovity.

The focus of energy efficient projects will include converting street lighting to LED, indoor lighting retrofit to LED and addition of lighting controls, pool pumps, HVAC controls, etc.

**ALTERNATIVES AND OPTIONS:**

Energy efficient projects can be identified and completed individually with other funding options.

**ATTACHMENTS:**

Enovity Memorandum of Agreement

**MEMORANDUM OF AGREEMENT (“Agreement”)  
BETWEEN  
ENOVITY INC. (“Enovity”)  
AND  
GOLDEN RAIN FOUNDATION - ROSSMOOR (“GRF”)**

**BACKGROUND**

GRF would like to utilize PG&E’s 0% On-Bill Financing Program (OBF) and Enovity’s turnkey energy efficiency project development and implementation expertise to help them reach their energy and cost savings goals. OBF Turnkey is a process developed by Enovity which provides a means for PG&E customers to implement energy efficiency projects with no out-of-pocket expense. GRF may qualify for up to \$4,000,000 of funding for qualified energy projects that have a bundled simple payback period of 10 years or less. Examples of potential energy efficiency measures (EEM) to be investigated and considered for implementation as part of this agreement are as follows:

- LED Interior & Exterior Lighting & Lighting Controls
- HVAC Controls Upgrade
- HVAC Efficiency Improvements
- Pool Pump VFD and Controls Upgrades

**PURPOSE OF AGREEMENT**

This Agreement sets out the terms by which Enovity and GRF will work together to identify, evaluate and develop an energy efficiency project at the GRF facility with the intent to secure funding by PG&E’s OBF Program and implement the project utilizing Enovity’s Turnkey Implementation Services.

This Agreement will remain in effect from 10/8/2018 to 10/8/2020. Michael Juniphant, Business Development Manager, will be the key contact for Enovity for this project. Jeffrey Matheson, Director of Resident Services, will be the key contact for GRF for this project. These individuals are responsible for ensuring the administration of the activities listed below.

**RESPONSIBILITIES OF ENOVITY**

**OBF Pre-Approval & OBF Agreement Acceptance**

- a. Enovity will work with GRF to qualify for PG&E’s OBF Program.
- b. Enovity will work with GRF to compile the proper documentation for signature, submit the documentation to PG&E and follow up on the approval process
- c. If necessary, Enovity will work with PG&E on behalf of GRF to modify the OBF Agreement to resolve any issues that would prevent GRF from entering the OBF Agreement upon PG&E project approval.
- d. If necessary, Enovity will work with GRF to modify the OBF Turnkey Implementation Contract terms to resolve any issues that would prevent GRF from entering the Contract upon PG&E

approval. Key OBF Turnkey Implementation Contract Terms are provided below and a full Contract sample is available upon request.

### Initial Site Assessment (ISA)

- a. Enovity will work with GRF to identify, evaluate, perform preliminary design work and secure funding for energy efficiency measures identified at the GRF facility.
- b. Enovity will perform the following tasks to develop an energy efficiency project that meets GRF goals and to secure the project funding under PG&E's OBF Program. The tasks are outlined in more detail on the OBF-Turnkey process flow diagram.
  - Perform an Initial Site Inspection to identify energy efficiency measures (EEMs)
  - Coordinate an EEM List Review Meeting to review the EEMs with GRF and confirm what measures GRF is interested in pursuing
  - Perform On-site Data Collection, Pre-Measurements & Trends to be utilized in the EEM Analysis
  - Perform preliminary energy savings analysis of the EEMs
  - Prepare preliminary EEM analysis and budgetary construction cost which will be incorporated into the preliminary energy efficiency project proposal (Budget Proposal)
  - Provide Budget Proposal to GRF for review and approval prior to submitting to PG&E for approval and funding
  - Submit the Budget Proposal to PG&E and other supporting documentation to PG&E to secure project approval and funding
  - Work with PG&E to receive project approval and obtain a copy of the OBF Agreement
  - Provide OBF Agreement to GRF for signature

### Firm Fixed Price Proposal (FFPP)

- Develop detailed energy savings analysis, develop final scope of work, obtain sub-contractor bids, develop firm fixed implementation cost and create project implementation schedule
- Provide Firm Fixed Price Proposal (FFPP) and OBF Turnkey Implementation Contract to GRF for review and approval

## RESPONSIBILITIES OF GRF

### OBF Pre-Approval & OBF Agreement Acceptance

- a. GRF will submit a completed and signed Utility Information Access Agreement so that Enovity will be able to obtain utility information from PG&E.
- b. GRF will submit a completed and signed OBF Supplement to Enovity to begin the qualification process for the OBF Program.
- c. GRF will submit a completed and signed PG&E incentive program application to Enovity that identifies Enovity as the payment recipient. To qualify for the OBF Program the PG&E customer must participate in one of PG&E's incentive programs.

- d. GRF will review the OBF loan agreement, identify the agreement signature authority, work with Enovity and PG&E to make modifications to the agreement if necessary and confirm that the agreement can be signed once a qualified energy efficiency project is developed by Enovity.

#### Initial Site Assessment (ISA)

- a. GRF will provide Enovity scheduled access to the facility to perform the ISA and participate in project meetings upon request.
- b. GRF will participate in an EEM List Review Meeting to review the EEMs with Enovity and confirm what measures GRF is interested in pursuing.
- c. GRF will provide Enovity any prior audit reports, drawings and facility information required to evaluate the identified EEMs.
- d. GRF will work with Enovity to develop an energy efficiency project that has a **simple payback of 10 years or less**.
- e. GRF will review and approve the Budget Proposal that Enovity will submit to PG&E for approval and funding.

#### Firm Fixed Price Proposal (FFPP)

- a. GRF will review and approve the Firm Fixed Price Proposal (FFPP) provided by Enovity prior to beginning the implementation phase.
- b. Upon the satisfactory development and PG&E approval of the energy efficiency project, GRF will execute the following documents:
  - PG&E Utility Incentive Agreement
  - PG&E OBF Loan Agreement
  - OBF Turnkey Implementation Contract

#### **OBF TURNKEY IMPLEMENTATION CONTRACT TERMS**

Enovity will be paid directly by PG&E under their On-Bill Financing (OBF) program upon PG&E post-installation verification of the energy savings and GRF acceptance of the installation.

It is expected that the project will be 100% funded through GRF's On-Bill-Financing (OBF) and Incentive Agreements with PG&E, with the Enovity designated as the payee for the loan and incentive proceeds. Provided that these Agreements remain in good standing throughout the project and that the Enovity remains the designated payee, the progress applications will be subject to a 100% rate of retention. Upon Enovity's receipt of loan and/or incentive proceeds on behalf of the GRF, the retention and amount due will be reduced to the remaining amounts due through such proceeds.

Should the OBF and/or Incentive Agreements with PG&E become jeopardized for reasons beyond the control of Enovity (e.g. Owner's cancellation of the Agreements, Owner changing utility company service, changes in Owner's credit standing, etc.), or if Enovity is removed as the designated payee for loan or incentive proceeds, progress applications will become due and payable subject to 10% rate of retention until Enovity demonstrates Substantial Completion, at which time the rate of retention shall be reduced to 0%.

**DURATION OF THE AGREEMENT**

This Agreement will remain in effect from 10/8/2018 to 10/8/2020 and may be updated at any time through written agreement of each partner.

**TERMINATION**

Either party may terminate this Agreement at any time. Should GRF directly terminate this Agreement or effectively terminate the Agreement out of failure to fulfill Responsibilities of GRF, provided that Enovity has not failed to perform its responsibilities up to the termination date, GRF will compensate Enovity on a time and material basis for the development work performed on the project to date **not to exceed \$75,000**.

**SIGNATURES OF PARTIES PRINCIPALS**

If the terms of this Agreement are acceptable, please sign and date the agreement letter and return it to Enovity.

_____ Signature / Enovity Principal	_____ Date
_____ Signature / GRF	_____ Date

DRAFT MOA FOR REVIEW

## GOLDEN RAIN FOUNDATION

COMMENTS OF DAVID SMITH RE THE MEMBERSHIP TRANSFER FEE  
AT A COUPLES CLUB PRESENTATION

Now you will not find any senior community over 50 years old with as many new buildings and facilities as here in Rossmoor. Why that is the case and why that will continue is not always understood. Here's the real story.

Since very early in Rossmoor's history, there has been some sort of fee charged for buying into our valley. Over the years the fee has changed names and has increased, but the proceeds of this fee have always gone into our trust and always used for capital projects. In recent years these fees have been or are being used to pay for Gateway, our Peacock Theater, the cover on the Del Valle Pools, the Corporation Yard, the table tennis facility, the new Buckeye tennis courts, the buildings that house Securitas, the Rossmoor News and the golf equipment barn, Creekside, the Event Center and the new fitness center.

Currently, any new resident who buys a manor pays a membership transfer fee which goes into a special trust account. While the total amount paid into the trust varies from year to year, the trust receives over \$4 million a year in membership transfer fees from new residents. It is this fee, more than anything else, which supports our capital loans and allows us to build new facilities and upgrade existing ones without assessments or special charges to our coupon.

While the membership transfer fee has been a boon to Rossmoor, transfer fees have been a source of abuse by some developers over the years, and as a result are disfavored in California. The powerful California Association of Realtors is generally opposed to these fees, and California law prohibits such fees by homeowner associations as well as most community service organizations or "CSOs". Rossmoor has always felt exempt from these restrictions, and our community has thrived as a result. However, in 2008, the 4th District Court of Appeal in southern California came down with a ruling relating to the Rossmoor in Seal Beach that said that their transfer fee was illegal. The decision applied only to Seal Beach, but the language of the decision was pretty broad and the Seal Beach transfer fee was almost identical to ours. We knew that if an appeals court adopted that decision, it could be used as precedent in a case involving Rossmoor. As it happened, Seal Beach appealed the decision and lost, so things did not look good for the transfer fee in Rossmoor.

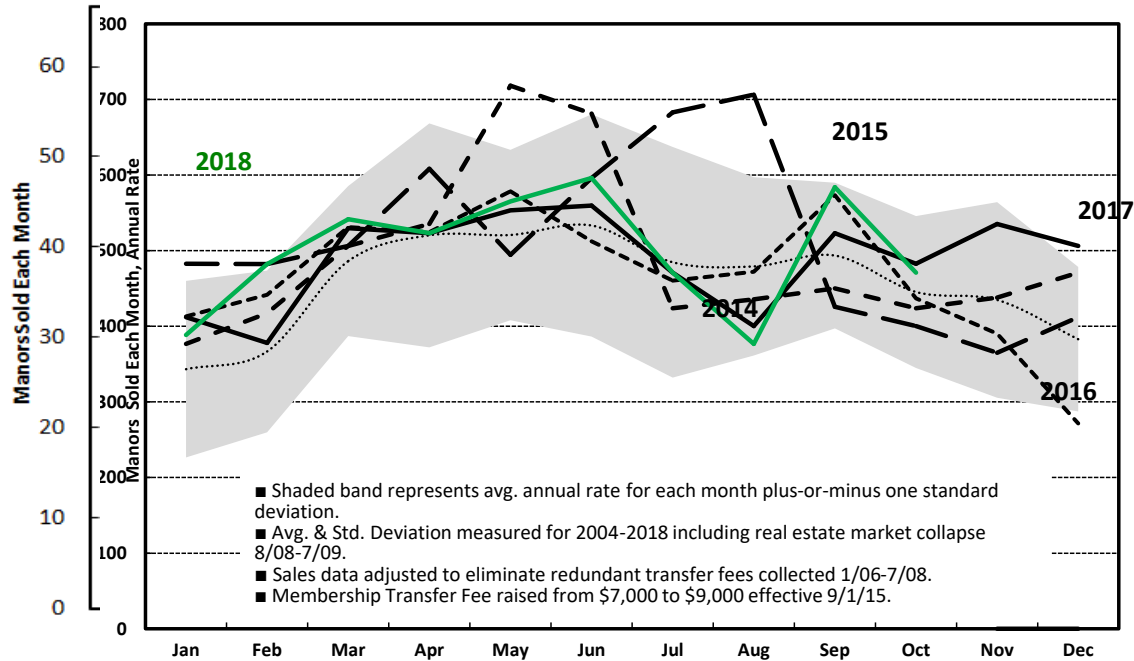
We had three choices: ignore the problem and hope we are never sued, petition the Probate Court to seek a ruling that our transfer fee is proper, or seek a change in California law making it clear that Rossmoor could charge a transfer fee. Ignoring the problem didn't seem wise and petitioning the Probate Court would be expensive and had risk. Our Board therefore decided to seek a change in the law. We asked our state senator, now US Congressman, Mark DeSaulnier, to help us.

After considerable discussion, Mark DeSaulnier agreed, and through his efforts, Senate Bill 1128, a bill, written for us and specifically tailored to allow Rossmoor to have a membership transfer fee, was introduced into the state Senate. It was passed unanimously. With the help of State Assembly member Joan Buchanan, the Assembly without opposition then passed the bill. On September 25, 2010, SB1128 was signed into law by Governor Schwarzenegger. As a result, Rossmoor, and almost no other community in California, can now legally levy membership transfer fees on new residents, thus allowing us to continue to improve our facilities without the need to charge residents with increased coupon amounts or assessments.



## ROSSMOOR 2018 MEMBERSHIP TRANSFER FEES

Membership Transfer Fees					Percent Chg. vs. Prev. Yr.		% of Total Manor Sales	
October 2018		October 2017						
	Month	YTD	Month	YTD	Month	YTD	Month	YTD
Total Fees	48	376	43	362	12%	4%	87%	81%
\$ Collected	432,000	3,384,000	387,000	3,258,000	12%	4%	Excludes non-sale transfers	



History of Transactions Generating Membership Fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004	28	43	49	63	45	72	58	62	60	36	58	33	607
2005	38	26	42	41	36	34	27	34	32	29	32	28	399
2006	13	13	41	24	32	42	12	38	32	24	37	21	329
2007	33	23	33	30	38	28	36	32	35	36	23	18	365
2008	15	14	32	32	38	35	42	30	33	23	17	31	342
2009	17	23	24	26	28	27	35	43	42	49	39	38	391
2010	23	25	33	37	44	33	40	31	33	38	27	34	398
2011	15	24	38	45	42	47	39	47	40	52	34	46	469
2012	36	33	59	65	50	57	51	48	45	50	50	35	579
2013	42	32	46	55	63	40	64	42	46	42	41	30	543
2014	32	32	43	44	61	56	36	37	37	36	36	40	490
2015	41	37	43	50	42	49	58	60	35	34	30	35	514
2016	35	35	45	43	49	42	39	40	47	37	32	23	467
2017	35	29	45	43	47	46	40	34	43	41	44	43	490
2018	33	37	46	43	48	49	40	32	48	40			416
Prev Yr YTD	35	64	109	152	199	245	285	319	362	403	447	490	

**Golden Rain Foundation**  
**Trust Estate Fund Projection - Potential Projects**  
in thousands (000's)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029 - 2034	Total
<b>Beginning Balance 02/28/2018</b>	210	1,825	2,009	3,498	5,011	5,957	7,787	9,029	10,495	12,042	13,850	15,253	210
<b><u>Estimated Revenues:</u></b>													
Membership transfer fees	3,600	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	25,200	70,800
Medical Center rent	551	677	694	711	729	747	766	785	804	825	845	5,533	13,667
Credit line	3,040											-	3,040
<b>Total</b>	<b>7,191</b>	<b>4,877</b>	<b>4,894</b>	<b>4,911</b>	<b>4,929</b>	<b>4,947</b>	<b>4,966</b>	<b>4,985</b>	<b>5,004</b>	<b>5,025</b>	<b>5,045</b>	<b>30,733</b>	<b>87,507</b>
<b><u>Estimated Expenditures</u></b>													
Approved Expenditures	2,050											-	2,050
Total per Long Range Plan		1,696	1,285	1,306	1,918	1,081	1,715	1,537	1,502	1,660	2,490	8,407	24,597
Del Valle Renovation	977											-	977
Potential projects	850	850										-	1,700
												-	-
												-	-
<b>Debt Service:</b>													
Mechanics Bank loan-Creekside- Loan #1	624	749	749	749	749	749	749	749	749	378		-	6,994
Mechanics Bank loan-Event Ctr- Loan #2	697	812	785	757	730	701	674	647	620	593	566	228	7,810
Mechanics Bank loan-Fitness-Loan #3	293	586	586	586	586	586	586	586	586	586	586	2,637	8,790
Credit line interest	85											-	85
<b>Total Estimated Expenditures</b>	<b>5,576</b>	<b>4,693</b>	<b>3,405</b>	<b>3,398</b>	<b>3,983</b>	<b>3,117</b>	<b>3,724</b>	<b>3,519</b>	<b>3,457</b>	<b>3,217</b>	<b>3,642</b>	<b>11,272</b>	<b>53,003</b>
<b>Revenue minus expense</b>	<b>1,615</b>	<b>184</b>	<b>1,489</b>	<b>1,513</b>	<b>946</b>	<b>1,830</b>	<b>1,242</b>	<b>1,466</b>	<b>1,547</b>	<b>1,808</b>	<b>1,403</b>	<b>19,461</b>	<b>34,504</b>
<b>Ending Fund Balance</b>	<b>1,825</b>	<b>2,009</b>	<b>3,498</b>	<b>5,011</b>	<b>5,957</b>	<b>7,787</b>	<b>9,029</b>	<b>10,495</b>	<b>12,042</b>	<b>13,850</b>	<b>15,253</b>	<b>34,714</b>	<b>34,714</b>

**Mechanics Bank Credit Line Activity**

Beginning Credit Line Balance	3,060
Borrowing	3,040
Convert to fixed loan	(6,100)
Ending Credit Line Balance	<u><u>-</u></u>

(1) Excludes MOD expenditures reimbursed to the Trust via a use fee = to depreciation expense on the assets purchased