



OPEN SESSION

**MINUTES OF THE REGULAR OPEN MEETING OF THE
THIRD LAGUNA HILLS MUTUAL BOARD OF
DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Tuesday, September 20, 2022 - 9:30 a.m.
Laguna Woods Village Community Center
Board Room/Virtual Meeting
24351 El Toro Road
Laguna Woods, California**

Directors Present: Mark Laws, Annie McCary, Jim Cook, Nathaniel Ira Lewis, Donna Rane-Szostak, Cris Prince, Cush Bhada, Jules Zalon, Ralph Engdahl

Directors Absent: John Frankel (Resigned)

Staff Present: Siobhan Foster-CEO, Makayla Schwietert, Paul Nguyen, Robert Carroll, Carlos Rojas, Kurt Wiemann, Jose Campos, Francis Gomez, Ian Barnette, Eileen Paulin, Steve Hormuth, Manuel Gomez

Others Present: VMS – Rosemarie diLorenzo
GRF – None
United – None

1. Call meeting to order / Establish Quorum – President Laws, Chair

President Laws called the meeting to order at 9:30 a.m. and established that a quorum was present.

2. Pledge of Allegiance

Director Bhada led the Pledge of Allegiance.

3. Approval of Agenda

President Laws asked for a motion to approve the agenda.

Director Rane-Szostak made a motion to approve the agenda. Director Bhada seconded.

President Laws made a change to agenda item 13a. on page 2 of the agenda. Should be stated as Third and not GRF.

Hearing no further changes or objections, the amended agenda was approved unanimously.

4. Approval of Minutes

- a. August 16, 2022 - Regular Board Meeting**
- b. September 2, 2022 – Agenda Prep Meeting**

Director Prince made a motion to approve the minutes of August 16, 2022 - Regular Board Meeting. Director Engdahl seconded.

Hearing no changes or objections, August 16, 2022 - Regular Board Meeting minutes were approved unanimously.

Director Lewis made a motion to approve the minutes of September 2, 2022 – Agenda Prep Meeting. Director Bhada seconded.

Hearing no changes or objections, September 2, 2022 – Agenda Prep Meeting minutes were approved unanimously.

5. Report of the Chair

President Laws commented on the following:

- Reminder to the members of Third. Third is currently looking for 3 volunteers to serve on the Boards and represent Third Mutual.
 - There is an open position on VMS which will be a one-year term to fill in an open vacancy spot which was recently relinquished by a Third selected VMS Board member.
 - There are four GRF Board positions open. Third will get to choose one delegate to fill one of the vacancies. This position will be a three-year term.
 - There are four Third Board positions that are expiring in October. Only three members of Third submitted applications. As a result, there is still one more open position. This will also be a three-year term.

6. Update from the VMS Board – Chair diLorenzo

VMS Chair diLorenzo provided an update from the last VMS Board Meeting with the following information:

- Focus Groups with 4 sessions held in September
- All Boards Training on November 18
- Employee Service Awards on September 21
- Employee Excellence Awards on October 17
- KPIs (Key Performance Indicators)

VMS Chair diLorenzo answered questions from the Board.

7. Open Forum (Three Minutes per Speaker)

- Multiple members commented on the Davis-Stirling Act, §4745, pertaining to EV Charging Station
- A member commented on proposed regulation banning the sale of internal combustion cars
- Chris Collins gave an update on the Foundation of Laguna Woods Village on how residents can obtain temporary help

- A member expressed concern about the infrastructure supporting electric vehicles
- A member commented on Third's Dues
- A member commented on not using the amenities and having to pay the dues

8. Responses to Open Forum Speakers

- Director Engdahl clarified the rules about the new car regulations.
- President Laws indicated he would work with other boards to discuss policies regarding electric vehicles
- President Laws thanked Ms. Collins for her update
- President Laws commented about solar being discussed at the next Board meeting
- President Laws commented on the budget meeting today
- President Laws commented that the village was based on a shared services model but he will discuss with the other presidents how to manage the amenities

9. California Organic Recycling Legislation and Associated Industry Solutions (Oral Presentation)

Mr. Hashem Shokair, Enterprise Sustainability Director of CR&R entered the meeting at 9:57 a.m. and provided a presentation regarding the following:

- Gave a brief description of his professional background
- Gave a company overview of CR&R
- Zero Waste Centered
- Senate Bill 1383: Reduce Organic Waste Disposal by 75% by 2025 & Rescue for people to eat at least 20% of currently disposed surplus food by 2025
- Anaerobic Digester
- Anaerobic Digestion Flowchart

Discussion ensued among the Board.

Mr. Shokair answered questions from the Board.

Left meeting at 10:13 a.m.

10. CEO Report

CEO Siobhan Foster reported on:

- Brian Gruner has separated from employment with Village Management Services and his role as Recreation and Special Events Director
- VMS executive management and staff:
 - Appreciate Brian's contributions during his time with the company and
 - Wish him the best in his future endeavors
- Pleased to announce that Alison Giglio will serve as interim Recreation and Special Events Director beginning today
- Alison holds a Bachelor of Arts in Sociology/Gerontology from California State University, Fullerton
- And has more than 20 years of progressive recreation and special event experience including:

- Effectively communicating with elected officials, committees, volunteers, staff and the community
- Managing facilities
- Coordinating meaningful and efficient programs for all ages/abilities; and
- Facilitating large-scale special events
- Allison has served as director of parks and recreation for the City of Laguna Niguel, where she:
 - Administered recreation services and special events, and
 - Managed all community service facilities
- She has also served Laguna Niguel as its recreation supervisor and recreation coordinator, where she:
 - Planned and managed major special events and recreational programs, and
 - Coordinated recreation programs and services for older adults at Sea Country Senior and Community Center
- As Alison acclimates to the Village, executive management will work with the boards to chart the course in selecting a permanent Recreation and Special Events Director
- Please join me in welcoming Alison to VMS

CEO Foster answered questions from the Board.

11. Consent Calendar - *All matters listed under the Consent Calendar were recommended for action by committees and were enacted by the Board by one motion. Items removed from the Consent Calendar by members of the Board were moved for further discussion and action by the Board.*

President Laws asked for a motion to approve the Consent Calendar as presented.

Director Rane-Szostak made a motion to approve the Consent Calendar. Director Lewis seconded the motion.

Hearing no changes or objections, the motion to approve the Consent Calendar was approved unanimously.

- a. Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual preliminary financials for the month of July 2022, and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code §5501.
- b. **Recommendation from the Landscape Committee:**
 1. Recommend to Approve the Removal of One Star Pine Tree Located at 5579-B Luz Del Sol

RESOLUTION 03-22-95

**Approve the Request for
Removal of One Star Pine Tree
5579-B Luz Del Sol**

WHEREAS, February 16, 2021, that the Board of Directors adopted Resolution 03-21-10 Tree Maintenance Policy which states:

“...Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents’ personal preferences concerning shape, color, size, or fragrance. Trees shall not be removed to preserve, enhance or create a view.

- Trees shall not be removed to preserve, enhance or create a view.
- Trees which are damaging or will damage a structure, pose a hazard, diseased, in failing health or interfering with neighboring trees, will be considered for removal.
- Removal requests will be reviewed by a staff arborist and, if necessary, referred to the Committee.
- Staff would be authorized to evaluate stands of trees in selected areas and recommend the selective removal of certain trees within the grouping while still preserving the overall look and intent of the grouped plantings. The Landscape Committee shall consider such recommendations...”

WHEREAS, on September 1, 2022, the Landscape Committee reviewed a request from the Member at 5579-B to remove one Star Pine tree. The Member cited the reasons as litter/debris, structural damage, overgrown, sewer damage, and repeated sprinkler repair; and

WHEREAS, staff inspected the condition of the tree and determined that it was in poor condition displaying dieback, deadwood, and a codominant leader; and

WHEREAS, the Committee determined that the tree meets the guidelines set forth in Resolution 03-21-10 and recommends approving the request for the removal of one Star Pine tree located at 5579-B Luz Del Sol;

NOW THEREFORE BE IT RESOLVED, September 20, 2022, the Board of Directors approves the request for the removal of one Star Pine tree located at 5579-B; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution.

12. Unfinished Business

- a. Inter-Board Anti-Harassment, Anti-Abuse, and Anti-Intimidation Policy and Charter for Joint Hearing Body (MAY Initial Notification- Revised AUGUST 2022 – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)**

RESOLUTION 03-22-XX

Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy and Charter of the Joint Hearing Body Committee

WHEREAS, the Board of Directors of Third Laguna Hills Mutual (“Third”), Golden Rain Foundation (“GRF”), and United Laguna Woods Mutual (“United”) require a clear and consistent policy to address claims of harassment, abuse and intimidation by directors to staff of Village Management Services Inc., fellow directors and residents, as well as claims

involving harassment, abuse and intimidation by residents to staff of VMS, directors and other residents; and

WHEREAS, this Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy (“Policy”) is intended to provide guidance relative to such behavior and issue a mechanism for addressing same by the Anti-Harassment, Anti-Abuse and Anti-Intimidation Joint Hearing Body Committee; and

WHEREAS, this Policy is being adopted by the Board of Directors of Third, GRF, and United in the exercise of their respective duties to maintain, protect and enhance the value and desirability of Laguna Woods Village and the interests of all of its members.

NOW THEREFORE BE IT RESOLVED, September 20, 2022, that the Board of Directors of this Corporation hereby adopts the Anti-Harassment, Anti-Abuse and Anti- Intimidation Policy and Charter of the Joint Hearing Body Committee, as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution 03-20-27, adopted April 21, 2020, is hereby superseded and canceled; and

RESOLVED FURTHER; that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

CEO Foster gave an update to discuss the changes that were made and gave some clarification.

Director Prince made a motion to approve Resolution 03-22-XX. Director McCary seconded.

Discussion ensued among the Board.

- Multiple members commented on concerns of the policy
- A member commented in favor of the policy

Hearing no changes or objections, the motion was called to a vote and failed 2-6-1. Directors Lewis, Prince, Bhada, Engdahl, Lewis, Cook, and Zalon opposed. Director Rane-Szostak abstained.

b. Board Member Participation in Committees (AUGUST Initial Notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)

RESOLUTION 03-22-96

Board Member Participation in Committees

WHEREAS, board members are appointed to committees to carry out the purpose of the Board as specified in the Committee Charters; and

WHEREAS, at present, board members are allowed to attend committee meetings and have the right to participate and vote; regardless of assignment to the Committee; and

WHEREAS, the Resident Policy and Compliance Committee recognizes the need to clarify when board members are permitted to vote and participate at Committee's that they are not assigned for;

NOW THEREFORE BE IT RESOLVED, September 20, 2022, the Board of Directors of this Corporation hereby allows board members who attend a committee meeting to participate and vote as committee members only if a quorum for the committee is required; if there are more directors in attendance than needed to fill the quorum, the Chair will select the director(s) to establish the quorum requirement per the committee's charter; and

RESOLVE FURTHER, Resolution M3-03-71 adopted October 21, 2003 is hereby superseded and canceled; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Lewis made a motion to approve Resolution 03-22-96. Director Rane-Szostak seconded.

Discussion ensued among the Board.

Hearing no changes or objections, the motion was called to a vote and passed 8-1. Director Zalon opposed.

c. Discuss and Consider 2021 Operating Deficit Transfer (AUGUST Initial Notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)

RESOLUTION 03-22-97

2021 Operating Deficit Transfer

WHEREAS, the Third Laguna Hills Mutual Operating Statement as of December 31, 2021 reflected an operating deficit, net of Depreciation, in the amount of \$1,276,497 due to unforeseen increases in Property Insurance premiums offset by savings in employee compensation and legal fees;

NOW THEREFORE BE IT RESOLVED, September 20, 2022, that the Board of Directors hereby authorizes a transfer in the amount of \$1,276,497 from the Unappropriated Expenditures Fund to the Operating Fund due to the 2021 Operating Fund Deficit; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Cook made a motion to approve Resolution 03-22-97. Director Lewis seconded.

Discussion ensued among the Board.

Hearing no changes or objections, the motion was called to a vote and passed unanimously.

d. Discuss and Consider Approval of Resolution Limiting Use of Potable Water for Watering Exterior Plants from Hose bibs to Wednesdays and Sundays Only (AUGUST Initial Notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)

RESOLUTION 03-22-98

Outside Plant Watering Restrictions

WHEREAS, July 28, 2022, the Third Landscape Committee recognized that the State of California is experiencing record drought conditions requiring parts of Southern California to reduce exterior irrigation water use; and

WHEREAS, exterior water sources available to residents in Third Mutual are potable water, accessed through hose bibs on the exterior of the units; and

WHEREAS, at this time, state and local mandates apply to potable water; and

WHEREAS, the Third Landscape Committee determined that members and residents in Third Mutual must limit exterior watering of outside plants with potable water from exterior mounted hose bibs using a hose or other methods;

NOW THEREFORE BE IT RESOLVED, on September 20, 2022, that members and residents within Third Mutual must limit the exterior watering of outside personal plants using potable water from exterior mounted hose bibs using a hose or other methods to Wednesdays and Sundays only, and no watering of common area plant material is permitted at any time from exterior mounted hose bibs; and

RESOLVED FURTHER, this resolution shall become in full force and effect on September 20, 2022; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

Director Bhada made a motion to approve Resolution 03-22-98. Director Rane-Szostak seconded.

Discussion ensued among the Board.

- A member commented on their support of this policy
- Multiple members commented on their concerns of this policy
- Multiple Directors gave clarifications on the policy

Kurt Wiemann, Director of Landscape Services, gave an update on the watering schedule of the community.

Hearing no changes or objections, the motion was called to a vote and passed 8-0-1.
Director Engdahl abstained

13. New Business

a. Third 2023 Business Plan Adoption (Annual Budget)

- **Entertain a Motion to Approve the 2023 Third Business Plan**
- **Entertain a Motion to Approve the 2023 Third Reserves Funding Plan**

RESOLUTION 03-22-99

2023 Business Plan Resolution

RESOLVED, September 20, 2022, that the Business Plan of this Corporation for the year 2023 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said business plan, the Board of Directors of this Corporation hereby estimates that the net sum of \$41,437,424 is required by the Corporation to meet the Third Laguna Hills Mutual operating expenses and reserve contributions for the year 2023. In addition, the sum of \$16,205,277 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2023. Therefore, a total of \$57,642,701 is required to be collected from and paid by members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$10,739,313 of which \$10,453,167 is planned from the Replacement Fund, \$125,000 from the Elevator Replacement Fund, \$161,146 from the Laundry Replacement Fund; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from restricted funds in the sum of \$1,322,112 of which \$1,228,470 is planned from the Disaster Fund, \$93,642 from the Garden Villa Recreation Room Fund; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2023 and as filed in the records of the Corporation, said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2023; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Jose Campos presented 2023 GRF Business Plan and 2023 GRF Reserves Funding Plan.

Director Zalon made a motion to approve Resolution 03-22-99. Director Lewis seconded.

Discussion ensued among the Board.

Hearing no changes or objections, the motion was called to a vote and passed unanimously.

RESOLUTION 03-22-100

2023 Reserve Funding Plan

WHEREAS, Civil Code § 5570 requires specific reserve funding disclosure statements for common interest developments; and

WHEREAS, planned assessments or other contributions to replacement reserves must be projected to ensure balances will be sufficient at the end of each year to meet the Corporation's obligations for repair and/or replacement of major components during the next 30 years;

NOW THEREFORE BE IT RESOLVED, September 20, 2022, that the Board hereby adopts the 30-Year Alternate Reserve Funding Plan (attached) prepared by Association Reserves™ for fiscal year 2023; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Zalon made a motion to approve Resolution 03-22-100. Director Lewis seconded.

Discussion ensued among the Board.

Hearing no changes or objections, the motion was called to a vote and passed unanimously.

Staff directive for 2024 Operations goal to be reduced by (budget) 5% by President Laws.

b. Update Committee Appointments

RESOLUTION 03-22-101

GRF Committee Appointments

RESOLVED, September 20, 2022, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

Community Activities Committee

Annie McCary

Cush Bhada
Jules Zalon, Alternate

GRF Finance Committee

Donna Rane-Szostak
Mark Laws
~~Craig Wayne, Alternate~~

Purchasing Ad Hoc Committee (new)

Donna Rane-Szostak
Ralph Engdahl, Alternate
Mark Laws

GRF Landscape Committee

Jules Zalon
Nathaniel Ira Lewis
Annie McCary, Alternate

GRF Maintenance and Construction Committee

Ralph Engdahl
Jim Cook
John Frankel, Alternate

Clubhouse Renovation Ad Hoc Committee

John Frankel
Ralph Engdahl
Cush Bhada, Alternate

GRF Media and Communications Committee

Annie McCary
Jim Cook
Cris Prince, Alternate

Broadband Ad Hoc Committee

Cris Prince
~~Annie McCary~~
~~Jim Cook~~

Mobility and Vehicles Committee

Jim Cook, Alternate
John Frankel
Cush Bhada

Security and Community Access Committee

Annie McCary
Cris Prince

Donna Rane-Szostak, Alternate

Disaster Preparedness

John Frankel

Jim Cook

Donna Rane-Szostak, Alternate

Laguna Woods Village Traffic Hearings

John Frankel

Mark Laws

Strategic Planning Committee

Mark Laws

Nathaniel Ira Lewis

IT Technology Advisory Committee (ITAC)

Mark Laws

Insurance Ad Hoc Committee

Cris Prince

Mark Laws

Jim Cook

Website Ad Hoc Committee

Annie McCary

Mark Laws

RESOLVED FURTHER, that Resolution 03-22-93, adopted August 16, 2022, is hereby superseded and canceled; and

RESOLVED FURTHER; that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution.

President Laws approved Resolution 03-22-101 by unanimous consent as amended.

- c. Entertain a Motion to Approve Revised Architectural Standard No. 10- Exterior Doors (SEPTEMBER initial Notification – 28-day notification for member review and comments to comply with Civil Code §4360)**

RESOLUTION 03-22-XX

Revised Alteration Standard 10- Doors, Exterior (Swing)

WHEREAS, the Architectural Controls and Standards Committee recognizes the necessity to amend Alteration Standards and create new Alteration Standards as necessary; and,

WHEREAS, the Architectural Controls and Standards Committee recognizes the need to revise Alteration Standard Section 10 - Doors, Exterior;

NOW THEREFORE BE IT RESOLVED, October 18, 2022, that the Board of Directors of this Corporation hereby adopts revisions and amendments to Alteration Standard Section 10 - Doors, Exterior (Swing); and

2.0 **TYPES OF DOORS**

- 2.1** All doors shall be of solid core 1-1/2" minimum thickness with exterior grade hardware. Metal doors and other composite materials are also allowed provided that they meet current California Building Code requirements for entry doors.
- 2.2** Dutch doors, split doors, double doors and French doors may be allowed provided any and all required permits are obtained through the City of Laguna Woods and the Alterations Division office.
- 2.3** Glass in entry doors and other modern designs may be allowed provided it follows the standards set for such installation as required by the current California Building Code.
- 2.4** Door trim shall not exceed approximately 3.5" in width unless prior approval is obtained from the Alterations Division.
- 2.5** All costs of maintenance shall be borne by the Mutual member.

3.0 **APPLICATIONS**

- 3.1** Doors shall be of wood, fiberglass, metal, or vinyl clad material or other composite materials. Doors shall be:
1. White.
 2. Natural or stained (oak, maple, walnut, cherry, etc.) wood finish.
 3. The current color of the building or trim.
 4. Black.
 5. Any of the new colors approved, or reasonably similar, but not yet painted.
 6. Commonly used door colors as per the door manufacturer.
 7. Colors approved via the variance process.
- 3.2** Screen door additions are acceptable.

- 3.3 Door frames may be replaced if pre-hung doors are being used as replacements.
- 3.4 Any required irrigation or landscaping modifications resulting from the door (or required landing) installation must be performed by the Agent's Landscaping Division, at the Mutual member's expense.
- 3.5 Exterior doors shall only be allowed in existing openings. For existing openings wider than 36", doors with accompanying sidelights may be used.
- 3.6 Existing header height must remain unchanged; and

RESOLVED FURTHER, Resolution 03-18-40, adopted March 23, 2018, is hereby superseded and canceled; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

Manuel Gomez, Maintenance and Construction Director, discussed the revisions to Revised Architectural Standard No. 10- Exterior Doors.

Director Cook requested the word "not exceed" be added before approximately 3.5" in width in section 2.4.

Director Prince made a motion to approve the Resolution for discussion purposes and to postpone the final vote for 28-days per Civil Code §4360. Director Lewis seconded.

Discussion ensued among the Board.

Hearing no changes or objections, the motion was called to a vote and passed unanimously.

d. Committees: How to get Residents More Involved (Oral Discussion)

President Laws discussed ways to eliminate committees, sub committees and the creation of task force.

- The creation of task force would be self-managed thus not requiring staff to create agendas and minutes and these task force will be able to complete specific tasks
- The M&C, Landscape, ACSC, RP&C, Finance, and Executive Hearings Committees are to be kept
- The remaining committees are to be either turned into a task force or be absorbed by one of the remaining 6 committees
- For the remaining 6 committees, the committee chair will work with the other committee members to determine what information should be prepared by staff and be presented in the agenda packet.

- Committee Chairs to determine what advisors they need and want, what these advisors are expected to do, and if these advisors are able to attend close session
- Committee Chairs to create a list of high focal areas and tasks they'd like to be discussed and addressed by the committee so that these can be shared with the members.

Director Rane-Szostak discussed President Laws recommendation of eliminating the Water Conservation Ad Hoc Committee.

Director Zalon made a suggestion of a blue-ribbon committee/task force to get residents with certain expertise in certain fields more involved.

Further discussion ensued among the Board.

e. Contractor List – Repeal Resolution 03-15-135

Discussion ensued among the Board.

Director Cook made a motion to approve the motion to repeal Resolution 03-15-135. Director Lewis seconded.

- A member commented to remove the contractor list from the website and staff folders.

Hearing no changes or objections, the motion was called to a vote and passed unanimously.

The Committee Reports and GRF Committee Highlights were taken out of order with 14e and 15a-d going first.

Director McCary left the meeting at 12:19 p.m.

14. Committee Reports

- a. Report of the Finance Committee / Financial Report – Director Rane-Szostak. The committee met on September 6, 2022; next meeting October 4, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
 - (1) Treasurer's Report
 - (2) Third Finance Committee Report
 - (3) Resales/Leasing Reports
- b. Report of the Architectural Controls and Standards Committee – Director Cook. The committee met on August 22, 2022; next meeting September 26, 2022 at 9:30 a.m. in the Board Room and as a virtual meeting.
- c. Report of the Landscape Committee – Director Lewis. The committee met on September 1, 2022; next meeting November 3, 2022 at 9:30 a.m. in the Board Room and as a virtual meeting.

- d. Report of the Maintenance and Construction Committee – Director Engdahl. The committee met on September 12, 2022; next meeting November 7, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
 - (1) Report of the Parking and Golf Cart Subcommittee – Director Bhada. The subcommittee met on July 27, 2022; next meeting October 17, 2022, at 9:30 a.m. in the Board Room.
 - (2) Garden Villa Rec. Room Subcommittee – Director Laws. The subcommittee met on May 26, 2022; next meeting TBA.
- e. Report of the Communications Committee – Director McCary. The committee met on July 13, 2022. The next meeting is October 12, 2022, at 1:30 p.m. in the Willow Room and as a virtual meeting.
- f. Report of the Water Conservation Committee – Director Rane-Szostak. The committee met on July 28, 2022; next meeting October 27, 2022, at 2:00 p.m. in the Elm Room.
- g. Report of the Resident Policy and Compliance Committee – Director Laws. The committee met on August 23, 2022; next meeting September 28, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.

15. GRF Committee Highlights

- a. Community Activities Committee – Director McCary. The committee met on September 8, 2022; next meeting, October 13, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- b. Media and Communications Committee – Director McCary. The committee met on September 19, 2022; next meeting October 17, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- c. Security and Community Access Committee – Director McCary. The committee met on August 29, 2022; next meeting October 31, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- d. Website Ad Hoc Committee – Director McCary. The committee met on September 14, 2022; next meeting TBA.
- e. GRF Finance Committee – Director Rane-Szostak. The committee met on August 17; next meeting October 19, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.

- f. GRF Landscape Committee – Director Lewis. The committee met on September 14; next meeting December 14, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- g. GRF Maintenance & Construction Committee – Director Engdahl – The committee met on August 10, 2022; next meeting October 12, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.

(1) Clubhouse Facilities Renovation Ad Hoc Committee – Director Engdahl. The committee met on June 24, 2022; next meeting, TBA.
- h. Report of the Laguna Woods Village Traffic Hearings – Director Laws. The hearings were held on August 17, 2022; next meeting September 21, 2022 at 9:00 a.m. as a virtual meeting.
- i. Information Technology Advisory Committee – Director Laws. This closed committee last met on August 26, 2022; next meeting September 30, 2022 at 1:30 p.m.
- j. The following GRF Committees have not met since the last Third Board Meeting:
 - i. Mobility and Vehicles Committee – Director Bhada – The committee met on August 3, 2022; next meeting October 5, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
 - ii. Disaster Preparedness Task Force – Director Cook. The task force met on July 26, 2022; next meeting September 27, 2022 at 9:30 a.m. in the Board Room.
 - iii. GRF Strategic Planning Committee – Director Lewis. The committee met on May 2, 2022; next meeting October 3, 2022 at 1:30 p.m. in the Board Room.
 - iv. Purchasing Ad Hoc Committee – Director Rane-Szostak. The committee met on April 7, 2022; next meeting TBA.
 - v. Insurance Ad Hoc Committee – Director Laws. This Closed committee last met on July 25, 2022; next meeting TBA.

16. Future Agenda Items-- *All matters listed under Future Agenda Items are Resolutions on 28-day public review or items for a future Board Meeting. No action will be taken by the Board on these agenda items at this meeting. The Board will take action on these items at a future Board Meeting.*

- Approve the Revised Architectural Standard No. 10 - Exterior Doors
- Committees Discussion: Solar Energy

17. Directors' Comments

- Director Zalon commented on a dispute with a Board member from VMS
- President Laws reminded the members about the next Town Hsall meeting on September 28, 2022 at 3:00 p.m.

18. Recess - *At this time, the meeting will recess for lunch and reconvene to Executive Session to discuss the following matters per California Civil Code §4935.*

The meeting was recessed into closed session at 12:45 p.m.

Closed Session Agenda

Approval of Agenda

Approval of the Minutes

(a) August 16, 2022—Regular Closed Session

Discuss and Consider Member Matters

Discuss Personnel Matters

Discuss and Consider Contractual Matters

Discuss and Consider Litigation Matters

19. Adjournment

The meeting was adjourned at 4:50 p.m.

DocuSigned by:

N. Cris Prince

5441FCTED518422...

N. Cris Prince, Secretary of the Board
Third Mutual Laguna Hills

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 31071-3
With-Site-Visit

Fiscal Year Start: 2023

Interest:

2.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2023	\$20,182,762	\$50,041,299	40.3 %	Medium	\$11,495,000	\$0	\$415,002	\$10,739,346
2024	\$21,353,418	\$53,697,003	39.8 %	Medium	\$11,724,900	\$0	\$423,550	\$12,463,623
2025	\$21,038,245	\$56,182,640	37.4 %	Medium	\$11,959,398	\$0	\$416,991	\$12,717,650
2026	\$20,696,984	\$58,559,938	35.3 %	Medium	\$12,198,586	\$0	\$412,233	\$12,745,790
2027	\$20,562,013	\$61,006,969	33.7 %	Medium	\$12,442,558	\$0	\$408,346	\$13,104,919
2028	\$20,307,998	\$63,564,070	31.9 %	Medium	\$12,691,409	\$0	\$401,508	\$13,523,349
2029	\$19,877,565	\$65,338,111	30.4 %	Medium	\$12,945,237	\$0	\$401,356	\$12,931,300
2030	\$20,292,858	\$58,377,275	34.8 %	Medium	\$13,204,142	\$0	\$407,566	\$13,405,545
2031	\$20,499,021	\$60,522,864	33.9 %	Medium	\$13,468,225	\$0	\$395,281	\$15,299,207
2032	\$19,063,320	\$60,921,359	31.3 %	Medium	\$13,804,930	\$0	\$372,762	\$14,995,804
2033	\$18,245,208	\$62,074,543	29.4 %	High	\$14,150,053	\$0	\$360,399	\$14,929,767
2034	\$17,825,893	\$63,795,626	27.9 %	High	\$14,503,805	\$0	\$347,609	\$15,712,210
2035	\$16,965,096	\$65,166,766	26.0 %	High	\$14,866,400	\$0	\$329,201	\$16,177,161
2036	\$15,983,537	\$66,569,367	24.0 %	High	\$15,238,060	\$0	\$308,117	\$16,674,811
2037	\$14,854,903	\$67,627,797	22.0 %	High	\$15,619,011	\$0	\$283,675	\$17,220,433
2038	\$13,537,156	\$68,643,081	19.7 %	High	\$16,009,487	\$0	\$261,265	\$17,195,964
2039	\$12,611,943	\$69,766,174	18.1 %	High	\$16,409,724	\$0	\$238,917	\$17,960,171
2040	\$11,300,412	\$70,516,784	16.0 %	High	\$16,819,967	\$0	\$222,396	\$17,384,296
2041	\$10,958,479	\$72,487,992	15.1 %	High	\$17,240,466	\$0	\$192,545	\$20,078,810
2042	\$8,312,680	\$70,522,325	11.8 %	High	\$17,671,478	\$0	\$171,800	\$17,273,762
2043	\$8,882,196	\$71,883,115	12.4 %	High	\$18,113,265	\$0	\$195,502	\$16,506,049
2044	\$10,684,913	\$74,588,074	14.3 %	High	\$18,566,096	\$0	\$226,852	\$17,457,907
2045	\$12,019,955	\$76,920,259	15.6 %	High	\$19,030,249	\$0	\$252,859	\$18,015,176
2046	\$13,287,888	\$79,231,500	16.8 %	High	\$19,506,005	\$0	\$260,383	\$20,281,335
2047	\$12,772,941	\$79,834,713	16.0 %	High	\$19,993,655	\$0	\$266,782	\$19,104,982
2048	\$13,928,396	\$82,241,147	16.9 %	High	\$20,493,496	\$0	\$285,842	\$20,027,176
2049	\$14,680,558	\$84,360,599	17.4 %	High	\$21,005,834	\$0	\$299,480	\$20,692,461
2050	\$15,293,412	\$83,165,407	18.4 %	High	\$21,530,980	\$0	\$317,373	\$20,670,394
2051	\$16,471,371	\$85,944,624	19.2 %	High	\$22,069,254	\$0	\$306,879	\$24,604,340
2052	\$14,243,164	\$85,271,471	16.7 %	High	\$22,620,986	\$0	\$281,973	\$23,167,596



Third Mutual - Laguna Woods Village
Laguna Woods, CA
Level of Service: Update "With-Site-Visit"

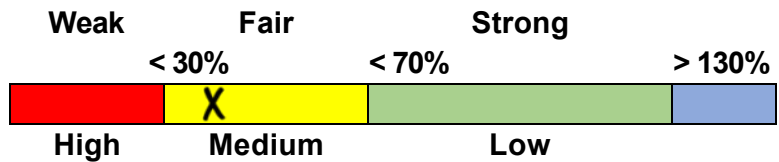
Report #: 31071-3
of Units: 6,102
January 1, 2023 through December 31, 2023

Findings & Recommendations

as of January 1, 2023

Table with 2 columns: Metric and Amount. Rows include Projected Starting Reserve Balance (\$20,182,762), Current Full Funding Reserve Balance (\$50,041,299), Average Reserve Deficit (Surplus) Per Unit (\$4,893), Percent Funded (40.3%), Recommended 2023 "Annual Full Funding Contributions" (\$13,300,000), Alternate minimum contributions to keep Reserve above \$8,290,000 (\$11,495,000), Most Recent Reserve Contribution Rate (\$11,130,048), and Annual Deterioration Rate (\$19,595,307).

Reserve Fund Strength: 40.3%



Risk of Special Assessment:

Economic Assumptions:

Table with 2 columns: Assumption and Rate. Rows include Net Annual "After Tax" Interest Earnings Accruing to Reserves (2.00 %) and Annual Inflation Rate (3.00 %).

This is an Update "With-Site-Visit", and is based on a prior Report prepared by Association Reserves for your 2022 Fiscal Year. We performed the site inspection on 5/26/2022.

This Reserve Study was prepared by a credentialed Reserve Specialist, Sean Erik Andersen RS #68.

The Association is Mutual Community Association.

The Reserve Fund is between the 30% funded level and the 70% funded level at 40.3 % Funded, which is a fair position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$19,595,307.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$13,300,000.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$8,290,000. This figure for your association is \$11,495,000.

To receive a copy of the full Reserve Study, contact the Association.

	Useful Life		2023 Rem. Useful Life		Estimated Replacement Cost in 2023	2023 Expenditures	01/01/2023	01/01/2023	Remaining Bal. to be Funded	2023 Contributions
	Min	Max	Min	Max			Current Fund Balance	Fully Funded Balance		
Paved Surfaces	1	25	0	24	\$11,725,675	\$503,675	\$3,045,821	\$6,158,225	\$8,679,854	\$478,762
Roofing & Gutters	1	40	0	29	\$57,640,495	\$1,582,095	\$7,224,120	\$30,549,255	\$50,416,375	\$1,606,213
Building Structures	1	20	0	19	\$8,431,740	\$2,004,840	\$2,673,640	\$2,980,345	\$5,758,100	\$4,032,117
Decking Projects	1	1	0	3	\$600,698	\$423,698	\$423,698	\$423,698	\$177,000	\$407,714
Prior To Painting & Painting Projects	1	1	0	1	\$4,389,793	\$2,404,793	\$2,404,793	\$2,404,793	\$1,985,000	\$2,979,501
Elevators	1	40	0	29	\$6,217,000	\$125,000	\$402,485	\$3,464,518	\$5,814,515	\$405,517
Garden Villas	1	10	0	28	\$906,176	\$5,276	\$200,516	\$245,736	\$705,660	\$248,108
Lighting Replacement Projects	1	1	0	1	\$65,500	\$12,500	\$12,500	\$12,500	\$53,000	\$44,457
Walls, Fencing & Railings	1	1	0	1	\$193,415	\$141,915	\$141,915	\$141,915	\$51,500	\$131,277
Laundry Facilities	1	10	0	18	\$366,945	\$161,145	\$202,305	\$208,345	\$164,640	\$163,806
Sewer Lines, Water Lines & Elect	1	1	0	23	\$2,288,000	\$1,730,000	\$1,730,000	\$1,730,000	\$558,000	\$1,552,943
Grounds & Miscellaneous	1	10	0	9	\$35,180	\$25,180	\$25,180	\$26,180	\$10,000	\$17,769
Landscape Projects	1	5	0	2	\$1,891,429	\$1,619,229	\$1,695,789	\$1,695,789	\$195,640	\$1,231,813
					\$94,752,046	\$10,739,346	\$20,182,762	\$50,041,299	\$74,569,284	\$13,300,000

Percent Funded: 40.3%