

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF GOLDEN RAIN FOUNDATION OF LAGUNA WOODS  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

**August 5, 2008**

The Regular Meeting of the Golden Rain Foundation of Laguna Woods Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday August 5, 2008, at 9:30 A.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Bob Miller, Ruth May, Don Tibbetts, Bea McArthur, Ken Hammer, Joseph Heller, Ray Gros, Erwin Stuller, Mark Schneider, Noel Hatch, Jack Bassler

Directors Absent: None

Others Present: Milt Johns, Patty Kurzet, and Janet Price (9:55 A.M.–10:51 A.M.)  
*Executive Session:* Milt Johns, Patty Kurzet, Cris Trapp,

Designated Representative: None  
from Mutual Fifty

**CALL TO ORDER**

Bob Miller, President, served as Chair of the meeting and stated that it was a regular meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 9:30 A.M.

A moment of silence and reflection was held to honor our US Troops who are serving the Country, and for those who are in harm's way.

**PLEDGE OF ALLEGIANCE TO THE FLAG**

Director Noel Hatch led the membership in the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF PRESS**

Cheryl Walker was present from the Laguna Woods Globe, and by way of remote cameras, the TV Channel 6 Camera Crew staff was acknowledged.

**APPROVAL OF AGENDA**

Without objection, the agenda was approved as amended by removing Agenda Item 7(c) *Entertain Motion to Remove from the Table Motion to Approve the Formalization of Open Board Meeting Rules* and refer it to a Special Board Meeting.

**APPROVAL OF MINUTES**

Without objection, the Report of Version 1 of the Business Planning Meeting of June 23, 2008 and the Minutes of the Regular Board Meeting of July 1, 2008 were approved as written.

**CHAIR'S REPORT**

President Miller gave an overview of the Board's meeting decorum and time limits for discussions on motions and committee reports. President Miller dispelled various

misinformation regarding GRF's purported CC&Rs and a T1 connection between GRF and PCM of California; and commented on the recent survey randomly mailed to residents.

### **OLD BUSINESS**

Harry Curtis, Chairman of the Nominating Committee addressed the Board and announced that the GRF Nominating Committee is searching for qualified members to run for the GRF Board. Mr. Curtis asked that members who desire to run for the Board to contact him for further information.

Director Ken Hammer made a motion to remove from the table the resolution approving the revised Recreation Division Policy with respect to "Section XIV Aquatics. Director Ruth May seconded the motion and the motion carried without objection.

President Miller reminded the Board that the motion is now on the floor and discussion ensued.

Members Connie Grundke (2214-B) and Lucie Falk (3377-A) commented on the motion.

Ms. Janet Price entered the meeting at 9:55 A.M.

By a vote of 9-0-1 (Director Bassler abstained), the motion carried and the Board of Directors adopted the following resolution:

### **RESOLUTION 90-08-53**

**WHEREAS**, the Board of Directors of this Corporation adopted Resolution 90-07-82 on November 6, 2007, which approved Section III of the new Recreation Division Policy with respect to "Recreational Facilities;" and

**WHEREAS**, a recommendation has been made by the Community Activities Committee to make additional changes to further accommodate the needs of the residents;

**NOW THEREFORE BE IT RESOLVED**, August 5, 2008, that the Board of Directors of this Corporation hereby adopts and approves the revised Recreation Division Policy with respect to "Section XIV Aquatics," effective August 5, 2008; and

**RESOLVED FURTHER**, that Resolution 90-07-82 adopted November 6, 2007 is hereby amended; and

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

Director Bea McArthur made a motion to remove from the table the resolution approving the obsolete equipment policy. Director Tibbetts seconded the motion and the motion carried by a vote of 9-0-1 (Director Bassler abstained).

Ms. Price provided a summary of the resolution.

Discussion ensued.

Director Noel Hatch amended the motion to include the following paragraph: "RESOLVED FURTHER, that in order to prevent the appearance of impropriety, any individual participating in the decision to dispose of an item of obsolete equipment shall be precluded from bidding on that item; and . . ."

Director Joseph Heller seconded the amendment and discussion ensued.

Member Mike Curtis (342-A) commented on the amendment.

By a vote of 10-0-0 the amendment carried.

Members Bud Nesvig (2392-3H) and Mary Stone (365-C) commented on the motion.

Director Hatch further amended the motion to remove the following language in the third paragraph: "being replaced must be disposed of and not continue to be used in the operation of the community." Director Tibbetts seconded the amendment and discussion ensued.

Member Mike Curtis (342-A) commented on the amendment.

By a vote of 10-0-0 the second amendment carried.

Members Mike Curtis (342-A) and Pat Feeney (2399-1E) commented on the motion.

By a vote of 10-0-0 the motion carried as amended and the Board of Directors adopted the following resolution:

#### **RESOLUTION 90-08-54**

#### **OBSOLETE EQUIPMENT POLICY**

**WHEREAS**, in the normal course of business the Golden Rain Foundation (GRF) replaces items of equipment that have reached the end of their economic lives, have become expensive or impossible to maintain or have otherwise become obsolete; and

**WHEREAS**, GRF determines through its capital planning process or via supplemental appropriation which items of capital equipment are to be replaced; and

**WHEREAS**, unless otherwise expressly authorized by the Board of Directors of this Corporation, all items shall be disposed of ~~being replaced must be disposed of and not continue to be used in the operation of the community;~~ and

**WHEREAS**, GRF desires to optimize the proceeds from the disposal of such equipment;

**NOW THEREFORE BE IT RESOLVED**, August 5, 2008 that all GRF equipment to be disposed of that has any value, including as scrap material, and does not pose a significant threat to the safety of a purchaser or user, as determined by the Warehouse Manager or Warehouse Coordinator, will be advertised for sale; and

**RESOLVED FURTHER**, that such equipment will be advertised in local media, such as on TV6, in the community newspaper, and on the community's website, that are at no cost to the community; and

**RESOLVED FURTHER** that, in cases where the item is not likely to be of interest to the local community, advertisements will be placed in other more global publications or websites such as eBay or Craigslist such that the net proceeds will be maximized; and

**RESOLVED FURTHER**, that the Warehouse Manager or Warehouse Coordinator will inform equipment dealers and others who may be interested in purchasing any of the obsolete equipment; and

**RESOLVED FURTHER**, that all advertisements will include a place and times for inspection of the equipment and a deadline for submission of written sealed bids; and

**RESOLVED FURTHER**, that a minimum acceptable bid amount will be set on all equipment to be disposed of that has a value of \$1,000 or more, as determined by the manager of the user department in conjunction with the Warehouse Manager or Warehouse Coordinator; and

**RESOLVED FURTHER**, that all bids will be opened by the Warehouse Coordinator and/or Warehouse Manager, and the highest bid will be accepted; and

**RESOLVED FURTHER**, that all such sales will be for cash and will be consummated, including removal of the obsolete equipment from GRF premises, within two weeks of the bid opening, and

**RESOLVED FURTHER**, that any equipment that is deemed to pose a significant threat to the safety of a purchaser or user, or remains unsold after all

reasonable efforts are made, will be disposed of in the proper waste receptacle and in compliance with applicable laws and ordinances; and

**RESOLVED FURTHER**, that in order to prevent the appearance of impropriety, any individual participating in the decision to dispose of an item of obsolete equipment shall be precluded from bidding on that item; 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 May made a motion to dispense with all discussions regarding controlling the access to the second floor offices. Director McArthur seconded the motion and the motion carried by a vote of 5-4-1 (Directors Hammer, Tibbetts, Stuller and Gros opposed and Director Schneider abstained).

#### **NEW BUSINESS**

The Secretary of the Corporation, Director Bea McArthur, read the following proposed resolution approving an appeals policy:

#### **RESOLUTION 90-08-**

**WHEREAS**, from time to time and by way of the committee structure, Resident Members make requests of GRF to make aesthetic and/or functional changes to GRF property, for instance, ~~to install benches at Aliso Creek Park or removal of trees at Gate 7;~~ and

**WHEREAS**, such committees forward recommendations regarding the request to the GRF Board for consideration, and if the proposed request is disapproved, then such decision is subject to appeal to the GRF Board by the Resident Member;

**NOW THEREFORE BE IT RESOLVED**, October 7, 2008 that the Board of Directors of this Corporation hereby establishes the following appeal process for requests made to GRF to make physical changes to its property:

1. Within 30 days of the Board's decision a requesting Member may appeal the Board's decision by requesting another review by the appropriate GRF committee.
2. Upon receipt and review of the recommendation from the Committee, the Board of Directors **will make a final decision *in the regular course of its business.***
3. No further appeals will be granted for a twelve (12) month period from the date of the Board's final decision on the

appeal. This twelve-month period shall apply to both the original requesting Resident Member and the subsequent members(s) on the same issue, if any.

**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.

Mr. Johns indicated that the resolution ratifies the Board's current unwritten policy.

Director McArthur moved to approve the resolution. Director Hatch seconded the motion and discussion ensued.

Director Tibbetts amended the motion to remove the following sentence in the first paragraph "for instance, to install benches at Aliso Creek Park or removal of trees at Gate 7." Director Schneider seconded the motion and the amendment carried unanimously.

Members Mike Curtis (342-A), Carol Skydell (3070-B), and Maxine McIntosh (68-C) commented on the resolution.

Director Hatch further amended the resolution to add the following words: "in the regular course of its business" under number 2 in the third paragraph. Director Tibbetts seconded the amendment and discussion ensued.

Member Karel Brouwer (3189-C) commented on the amendment.

The amendment carried unanimously.

Director McArthur moved to table the resolution as amended to the October Meeting to satisfy the required statutory thirty-day notice requirements. Director Hatch seconded the motion and the motion carried by a vote of 10-0-0.

### **CONSENT CALENDAR**

No items came under the Consent Calendar.

### **COMMITTEE REPORTS**

Director Don Tibbetts reported on the Treasurer's Report and from the Finance Committee.

Members Mike Curtis (342-A) commented on Director Tibbetts' report and Connie Grundke (2214-B) inquired on the Board's response to his request.

Ms. Price left the meeting at 10:51 P.M.

On Director May's behalf, Director Bea McArthur reported from the Government and Public Relations Committee.

Director Ken Hammer reported from the Bus Services Committee.

Member Libby Marks (82-Q) commented on Director Hammer's report.

Director Mark Schneider reported from the Community Activities Committee.

The Secretary of the Corporation read a proposed resolution approving the request of the Saddleback Bridge Unit 525 to hold its annual Unit Sectional Bridge Tournament at Clubhouse Seven. Director McArthur moved to approve the resolution. Director Schneider seconded the motion.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 90-08-55**

**WHEREAS**, in 2006, GRF granted approval for the Saddleback Bridge Unit 525, an outside organization, to hold monthly duplicate bridge tournaments at Clubhouse Seven; and

**WHEREAS**, the Unit is requesting to hold its annual Unit Sectional Bridge Tournament at Clubhouse Seven rather than at Saddleback Community College;

**NOW THEREFORE BE IT RESOLVED**, August 5, 2008 that the Board of Directors hereby approves the request of the Saddleback Bridge Unit 525 to hold its annual Unit Sectional Bridge Tournament on February 7, 2009 at Clubhouse Seven; and

**RESOLVED FURTHER**, that the organization shall be charged the outside rental rate of \$415; 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.

The Secretary of the Corporation read the following proposed resolution regarding the request from the Volleyball Club that GRF purchase and install a ready-made sign:

**RESOLUTION 90-08-**

**WHEREAS**, the Volleyball Club requested that GRF purchase and install in the Gym a ready-made sign, similar to the Badminton Club;

**NOW THEREFORE BE IT RESOLVED**, August 5, 2008 that the Board of Directors of this Corporation hereby denies the request to purchase the ready-made sign, but approves the installation at no cost to the Club; 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 McArthur moved to approve the resolution. Director Hammer seconded the motion and discussion ensued.

Members Mary Stone (356-C), Connie Grundke (2214-B), Mike Curtis (342-A), and Libby Marks (82-Q) commented on the motion.

Director Hatch made a motion to refer the resolution back to the Community Activities Committee to develop a sign policy. Director Tibbetts seconded the motion. By a vote of 9-1-0 (Director Stuller opposed), the motion carried.

The Secretary of the Corporation read the following proposed resolution extending the Community Center Fitness Center operational hours:

#### **RESOLUTION 90-08**

**WHEREAS**, the Community Center Fitness Center is currently open and available to all members of the Community from 7 A.M. – 5 P.M on Monday, Wednesday, and Friday; 7 A.M. – 7 P.M. on Tuesday and Thursday; 7 A.M. – 2 P.M. on Saturday, and closed on Sunday; and

**WHEREAS**, the use of the facility has grown significantly in recent years and the busiest usage time is during the first hour of the day;

**NOW THEREFORE BE IT RESOLVED**, October 7, 2008, that the Board of Directors of this Corporation hereby extends the Community Center Fitness Center operational hours an additional ~~six~~ **five** hours a week opening up at 6 A.M. rather than 7 A.M. Monday through ~~Saturday~~ **Friday**; and

**RESOLVED FURTHER**, that the cost to provide two staff members for the additional hours is \$12,900, resulting in an unbudgeted expenditure in 2008 and an increase to the 2009 GRF Business Plan; and

**RESOLVED FURTHER**, that Resolution G-00-60, adopted July 5, 2000, and Resolution 90-04-12, adopted February 3, 2004 are hereby superseded and cancelled; 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 McArthur moved to approve the resolution. Director May seconded the motion and discussion ensued.

Director Tibbetts amended the motion to drop the additional hour on Saturday. Director McArthur seconded the motion and discussion ensued.

Member Jerry Sheinblum (3488-C) commented on the resolution.

By a vote of 5-4-1 (Directors Bassler, Schneider, Stuller, Gros opposed, Director Heller abstained), the amendment carried.

Without objection the motion as amended was tabled to the October Meeting to satisfy the required statutory thirty-day notice requirements. By a vote of 10-0-0 the motion carried unanimously.

The Secretary of the Corporation read the following proposed resolution approving the revised Recreation Division Policy with respect to "Section XIV Aquatics:

**RESOLUTION 90-08**

**WHEREAS**, the Board of Directors of this Corporation adopted Resolution 90-07-82 on November 6, 2007, which approved Section III of the new Recreation Division Policy with respect to "Recreational Facilities;" and

**WHEREAS**, a recommendation has been made by the Community Activities Committee to make additional changes to further accommodate the needs of the residents;

**NOW THEREFORE BE IT RESOLVED**, October 7, 2008, that the Board of Directors of this Corporation hereby adopts and approves the revised Recreation Division Policy with respect to "Section XIV Aquatics," effective October 7, 2008; and

**RESOLVED FURTHER**, that Resolution 90-07-82 adopted November 6, 2007 is hereby amended; and

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

Director McArthur moved to approve the resolution and the motion was seconded.

Director McArthur made a motion to table to the October Meeting to satisfy the required statutory thirty-day notice requirements. The motion was seconded and carried by a vote of 10-0-0.

The Secretary of the Corporation read the following proposed resolution approving the revised Recreation Division Policy with respect to Section XVII Bridge Room:

**RESOLUTION 90-08**

**WHEREAS**, the Board of Directors of this Corporation adopted Resolution 90-07-82 on November 6, 2007, which approved Section III of the new Recreation Division Policy with respect to "Recreational Facilities;" and

**WHEREAS**, a recommendation has been made by the Community Activities Committee to make additional changes to further accommodate the needs of the residents;

**NOW THEREFORE BE IT RESOLVED**, October 7, 2008, that the Board of Directors of this Corporation hereby adopts and approves the revised Recreation Division Policy with respect to "Section XVII Bridge Room," effective October 7, 2008; and

**RESOLVED FURTHER**, that Resolution 90-07-82 adopted November 6, 2007 is hereby amended; and

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

Director Schneider moved to approve the resolution. Director May seconded the motion and discussion ensued.

Members Bud Nesvig (2392-3H), Mary Stone (356-C), Dottie Fredericks (776-Q), Karel Brouwer (3189-C), and Lucie Falk (3377-A) addressed the Board on the resolution.

Director Hatch made a motion to table to the October Meeting to satisfy the required statutory thirty-day notice requirements. Director Heller seconded the motion and the motion carried by a vote of 10-0-0.

The Secretary of the Corporation read the following proposed resolution approving the revised Recreation Division Policy with respect to Section XXIII Garden Centers:

**RESOLUTION 90-08**

**WHEREAS**, the Board of Directors of this Corporation adopted Resolution 90-07-82 on November 6, 2007, which approved Section III of the new Recreation

Division Policy with respect to "Recreational Facilities;" and

**WHEREAS**, a recommendation has been made by the Community Activities Committee to make additional changes to further accommodate the needs of the residents;

**NOW THEREFORE BE IT RESOLVED**, October 7, 2008, that the Board of Directors of this Corporation hereby adopts and approves the revised Recreation Division Policy with respect to "Section XXIII Garden Centers," effective October 7, 2008; and

**RESOLVED FURTHER**, that Resolution 90-07-82 adopted November 6, 2007 is hereby amended; and

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

Director McArthur moved to approve the resolution. Director Schneider seconded the motion and discussion ensued.

Members Mike Curtis (342-A) and Karel Brouwer (3189-C) commented on the resolution.

Director Bassler left the meeting at 11:45 A.M.

Director May left the meeting at 12:03 P.M.

Director Hatch moved to table the resolution to the October Meeting to satisfy the required statutory thirty-day notice requirements. Director McArthur seconded the motion and the motion carried by a vote of 8-0-0 (Directors May and Bassler were not in attendance).

Director Bea McArthur reported from the Landscape Committee.

Director May returned to the meeting at 12:06 P.M.

The Secretary of the Corporation read the following proposed resolution allowing an independent composting operator to assume GRF's composting operations:

**RESOLUTION 90-08-**

**WHEREAS**, since 1990, the Landscape Division has operated an in-house composting operation to divert green waste from local landfills and to produce a valuable horticultural product for use within the Community; and

**WHEREAS**, an unsolicited contractor approached the Community with a proposal to operate a green waste/composting operation at the 23-acre site for a fee to be paid to the Community; and

**WHEREAS**, the approval of the contract is subject to any enforcement agency requirements and must conform with public policy;

**NOW THEREFORE BE IT RESOLVED**, August 5, 2008 that the Board of Directors of this Corporation hereby allows an independent composting operator to assume the operation of GRF's composting operations on GRF's 23-acre site; and

**RESOLVED FURTHER**, that for a yearly fee to the Community, the operator would expand the composting operations at the site to establish a retail sales business, which would include accepting green waste from outside the Community, and the sale of composted mulch to customers outside the Community; and

**RESOLVED FURTHER**, that the Community shall continue to recycle its green waste and receive specified amounts of mulch to meet the Community's requirements at no additional cost; and

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

Director McArthur moved to approve the resolution. Director May seconded the motion and discussion ensued.

Members Mike Curtis (342-A), Bud Nesvig (2392-3H), and Connie Grundke (2214-B) expressed their opposition to the resolution.

Director Heller made a motion to refer the matter back to the Landscape Committee. Director Hatch seconded the motion. By a vote of 9-0-0 (Director Bassler was absent from the meeting) the motion carried.

Director Bea McArthur reported from the Gate Renovation Ad Hoc Committee.

Director Joseph Heller reported from the Maintenance and Construction Committee.

Director Bassler returned to the meeting at 12:40 P.M.

Members Mike Curtis (342-A) and Connie Grundke (2214-B) addressed Director Heller on his report.

Director Noel Hatch reported from the Broadband Committee.

Member Mike Curtis (342-A) addressed Director Hatch on his report.

Director Erwin Stuller reported from the Security and Community Access Committee.

Director Noel Hatch left the meeting at 12:50 P.M.

### **MEMBER COMMENTS**

- Mary Stone (356-C) commented on Security foot patrols and its function
- Len Peverieri (76-P) commented on management fees
- Connie Grundke (2214-B) commented on the Survey and ads
- Jerry Sheinblum (3488-C) announced the next CCA Town Hall Meeting
- Pamela Grundke (2214-B) commented on PCM's Incentive Plan and management fees
- Frankie Henry (679-C) invited all City Council candidates to attend an SOS meeting at 3:00 PM on August 17.
- Karel Brouwer (3189-C) commented on land use for the Garden Centers
- Mike Curtis (342-A) commented on PCM's Incentive Plan
- Bud Nesvig (2392-3H) commented on the assessments of Laguna Woods Village
- Kay Margason (510-C) commented on security matters

### **DIRECTORS' RESPONSE TO MEMBER COMMENTS**

- President Miller responded to Members' comments.

### **DIRECTOR'S COMMENTS:**

- Director Tibbetts responded to Ms. Margason's comments
- Director Hammer responded to Ms. Margason's comments
- Director Stuller announced a CPR class
- Director Gros responded to Ms. Margason's comments
- Mr. Johns responded to Mr. Peverieri's comments regarding the management agreement and the fees; responded to Mr. Grundke's comments on ad displacement; responded on Mr. Curtis' comments regarding PCM's Incentive Plan; and Ms. Margason's comments regarding security
- President Miller apologized for answering his cell phone during a budget meeting

### **MEETING RECESS**

The meeting recessed at 1:23 P.M. and went into Executive Session at 2:10 P.M.

During its Regular Executive Session Meeting of July 1, 2008, the Board reviewed and approved the Minutes of the Special Executive Session Meeting of May 22, 2008 and the Regular Executive Session Meeting of June 3, 2008; discussed member discipline, and contractual and legal issues.

### **ADJOURNMENT**

There being no further business to come before the Board of Directors, the meeting adjourned at 4:19 P.M.