

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
January 11, 2024**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Carson at 9:02 a.m. on Thursday, January 11, 2024, Building 5, Conference Room B and via Zoom Video/Conference Call Meeting.

SHAREHOLDERS' COMMENTS

Several shareholders made a comment.

ROLL CALL

Present: President Carson, Vice President Sprague, Chief Financial Officer Ferraro, Director Hoover, Director Hogan, and Director Kaplan

Absent: Director Addis

GRF Representative: Ms. Damoci (via zoom)

Guest: One Mutual Twelve Shareholder (in-person)
Three Mutual Twelve Shareholders (via zoom)

Staff: Mr. Antidel, Building Inspector
Ms. Barua, Sr. Portfolio Specialist (via zoom)
Ms. Kong, Portfolio Specialist

GRF REPRESENTATIVE

GRF Representative, Ms. Damoci provided an update on GRF projects.

MINUTES

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Hogan, it was

RESOLVED to approve the Regular Meeting Minutes of December 14, 2023, as written and read.

The MOTION passed unanimously.

BUILDING INSPECTOR'S REPORT

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Vice President Sprague, it was

January 11, 2024

RESOLVED to authorize the Physical Property Inspector to obtain at least 3 proposals from qualified electrical contractors to replace approximately quantity 15 Zinsco Electrical Panels with 125-amp Square D with a 100-amp breaker during the year 2024.

The MOTION passed unanimously.

Following questions, Mr. Antidel left the meeting at 9:50 a.m.

NEW BUSINESS

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Hogan, it was

RESOLVED to approve the November 2023, financial statements as reviewed per California Civil Code Section 5500 (a)-(f) for audit as presented.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Chief Financial Officer Ferraro, it was

RESOLVED to approve investment in certificates of deposit with US BanCorp in an amount not to exceed \$400,000 for a term not to exceed three (3) months.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded Director Hogan, it was

RESOLVED to approve the invoice from Hydropoint/Weather Trak Central System in the amount of \$1,245.00 for the period 1/31/24 to 1/31/25. Expense to be charged to Landscape Extras and authorize the President to sign any necessary documentation.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Vice President Sprague, it was

RESOLVED to respectfully accept the resignation of Dan Addis as Secretary and Director from Mutual Twelve board.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Hogan, it was

January 11, 2024

RESOLVED to nominate and appoint Rose Sprague as the Mutual Twelve Board Secretary for the term 2023-2024.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Chief Financial Officer Ferraro, it was

RESOLVED to ratify the signing from Clifton Larson for the 2023 fiscal year.

The MOTION passed unanimously.

SECRETARY / CORRESPONDENCE

Directors received one correspondence.

CHIEF FINANCIAL OFFICER'S REPORT

Chief Financial Officer Ferraro presented her report (attached).

PORTFOLIO SPECIALIST REPORT

Portfolio Specialist Kong presented her report (attached).

ANNOUNCEMENTS

a. **NEXT BOARD MEETING: Thursday, February 8, 2024, at 9:00 a.m. Location: Administration Building, Conference Room B and via Zoom Video/Conference Call Meeting.**

b. **Carport Inspections are still scheduled to begin.**

COMMITTEE REPORTS

Governing Documents Committee
CFO Ferraro presented no report.

Luncheon Committee
CFO Ferraro did not provide an update.

Landscape Committee
Vice President Sprague presented no report.

Physical Properties Committee
President Carson provided no update.

Pets & Caregivers
Director Kaplan provided an update.

Financial Review Committee
CFO Ferraro provided no update.

January 11, 2024

DIRECTORS' COMMENTS

One Director made a comment.

SHAREHOLDERS' COMMENTS

Several shareholders made a comment.

ADJOURNMENT

There being no further business to conduct, President Carson adjourned the meeting at 10:35 a.m. and announced there would be an Executive Session following the meeting.

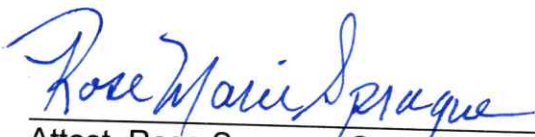
EXECUTIVE SESSION SUMMARY

The Board met in Executive Session on January 11, 2024, and took the following actions:

The Board approved the Regular Executive Session Meeting Minutes of November 9, 2023.

1. Legal Matters
 - a. No Legal matters were discussed.
2. Contracts
 - a. No Contracts were discussed.
3. Assessments / Delinquencies
 - a. Several Assessment/Delinquencies discussed.
4. Disciplinary Hearings
 - a. No disciplinary hearing was discussed.

The Executive Session was adjourned at 12:00 p.m.



Attest, Rose Sprague, Secretary
SEAL BEACH MUTUAL TWELVE
DK: 01/11/2024
Attachments

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(12) TWELVE)**

INSPECTOR: **JERRY ANTISDEL**

MUTUAL BOARD MEETING

JANUARY REPORT

Print

JANUARY 04/2024

DATE:

Date:

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF	GRF/CITY	START	COMP.	CHAN	FINAL	CONTRACTOR COMMENTS
34-D	FLOORING	GRF	09/22/23	12/22/23	NO	12/1/2023	B&B CARPETS
37-F	AWNINGS	GRF	12/01/23	12/01/23	NO	NONE	AAA AWNINGS
39-G	ADD A BATHROOM	BOTH	09/25/23	01/30/24	NO	UNDERGR.	MP CONSTRUCTION
43-G	SOLAR PANELS	BOTH	09/19/23	11/19/23	no	NONE	SUN SOLAR ENERGY HOLDING
45-C	HEAT PUMP	BOTH	12/04/23	03/04/24	NO	NONE	GREENWOOD
45-E	SHOWER	BOTH	02/12/24	03/29/24	NO	NONE	BERGKVIST
46-I	WASHER/DRYER	BOTH	10/06/23	01/18/24	NO	NONE	LOS AL BUILDERS
47-H	HEAT PUMP	BOTH	09/05/23	12/15/23	NO	NONE	GREENWOOD
55-C	WINDOWS AND	BOTH	10/20/23	12/31/23	NO	12/1/2023	MAMUSCIA
59-C	HEAT PUMP	BOTH	08/02/23	11/02/23	NO	NONE	GREENWOOD
62-A	REMODEL	BOTH	07/28/23	12/30/23	NO	11/15/2023	MP CONSTRUCTION
62-A	HEAT PUMP	BOTH	09/26/23	11/26/23	NO	NONE	ALPINE
71D	CARPORT	GRF	11/18/23	12/23/23	NO	NONE	VICKERS CONST.
77K	SHOWER	BOTH	12/11/23	01/11/24	NO	NONE	NUKOTE
45C	DUCTED HVAC	BOTH	12/04/23	03/04/23	NO	NONE	GREENWOOD
44E	PAVERS / DRIP	GRF	12/04/23	12/16/23	NO	NONE	FOUR STAR
8	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
34	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
40	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
44	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
55	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
56	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
58	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
65	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
66	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
67	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
70	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
72	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
75	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
76	REROOF	BOTH	01/02/24	08/02/24	NO	NONE	ROOFING STANDARDS
10A	KITCHEN	BOTH	12/20/23	05/20/24	NO	NONE	MP CONSTRUCTION
39A	REMODEL	BOTH	11/05/23	01/30/24	YES		LW DÉCOR
76E	PATIO	GRF	12/18/23	02/20/24	NO	NONE	MJ JURADO
68-B	REMODEL	BOTH	07/31/23	07/31/24	NO		CAL CUSTOM INTERIORS

GREY AREAS HAVE BEEN SIGNED OFF

ESCROW ACTIVITY

	NMI	PLI	NBO	FI	COE	ROF
11-G		06/23/22				
34-D		10/30/23				
40-A		02/24/23				
43-E		08/03/23				
45-C		11/01/23				
47-H		12/01/23				
63-G		09/29/23				
64-E		09/22/22				
72-C		12/26/23				

GREY HAVE BEEN

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer
FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

A	B	C	D	E	F	G	H	I
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INSPECTOR MONTHLY MUTUAL REPORT

PROJECTS AND CONTRACTS

ROOFING TO START IN JANUARY 2024

DISCUSS ZINSCO ELECTRICAL PANEL PRICING AND UPDATE TO ARCHITECTURAL STANDARD

REVIEW AND DISCUSS EMPIRE PIPE CLEANING MAINTENANCE REPORT (HAND OUT)

UPDATE STATUS ON BUILDING 6 A-1 TOTAL SERVICE ABOUT 2 INCH DRAIN LINE REPAIR HAS BEEN COMPLETED NEED TO FINISH BATHROOM FLOOR AT BUILDING

NEED TO FINISH FLOORING AT BATHROOM 6-L

FENN BAIT STATIONS FOR THREE YEARS CONTRACT GOOD UNTIL JULY 31 ST 2026

LANDSCAPE CONTRACT WITH FOUR STARS GOOD UNTIL 2024

FENN TERMITE AND PEST CONTROL CONTRACT GOOD UNTIL JUNE 30TH 2026

CALLS AND VISITE TO UNITS

CFO Report – January 11, 2024 Regular Meeting,

The financial review committee met and reviewed the year to date November, 2023 financial statement along with the accompanying information, as legally required. In addition, each member of the Board has received a detailed financial statement copy for their personal review and comment. The Preliminary Financial Statements for the 12 months ended December 31, 2023 are being completed and are subject to audit by Certified Public Accountancy Firm, CliftonLarsonAllen LLP (CLA).

As of November 30, 2023:

Cash in the bank: \$ 187,204 (Operations)

Reserves:

General Investments	\$ 253,258
Appliance	\$ 44,793
Painting	\$ 251,404
Roofing	\$1,766,729
Infrastructure	\$ 347,416
Emer/Contingency	\$ 261,329
Capital Improvement	\$ <u>2,064</u>

Total Reserves \$2,926,993

Reserve Commitments: (\$ 7,300) (Contract Payable-MJ Jurado)

Available Reserves: \$2,919,693

Shareholder Receivables: \$ 40,608 (6 accounts owe greater than \$1800, 4 Estate accounts to be paid upon sale or transfer, 2 accounts are being closely monitored.)

Operating Income and Expense Notes:

Mutual Income:	\$ 70,034	Positive variance from budget
Mutual Expense:	<u>\$ 66,449</u>	Positive variance from budget

Mutual Excess Income: **\$136,483**

With one more month to complete the fiscal year, we anticipate to end the year in a positive position to start 2024.

However, in the past few weeks, the mutual was informed of the renewal premiums for the Property and Liability Insurance Policies for 2024 policy term. The total package premium increase exceeded the estimates assumed for the Mutual 2024 budget assessments by 28%. This increase reflects adjustments in coverage, and increases in deductibles from \$50,000 to \$100,000 and change to self-insured retention of \$100,000 depending upon the type of claim.

Actual Property and Liability Insurance Premium is \$235,008 (\$43.33 per apt. per month)
Budget Property and Liability Insurance Premium is \$183,014 (\$33.74 per apt. per month)

Additional premium due \$51,994 equals \$9.59 per apt. per month.

Fortunately, Mutual Twelve has sufficient non-restricted cash reserves (General Investment account) on hand to pay the premiums billed in 2024 and the Board does not anticipate a special assessment in 2024.

But, that means all shareholders need to anticipate and prepare for a much larger assessment increase come January 1, 2025. Insurance premiums for 2025 are expected to continue to rise due to the pressures on the insurance industry.

Please see Mutual 12's Personal Liability and Property Insurance regulation (12-7707-1) that is attached. We strongly recommend that you inform your professional insurance agent of the change in deductibles so that your insurance policy provides sufficient personal coverage.

Respectfully submitted,



Susan Ferraro, CFO
Mutual 12

SEAL BEACH MUTUAL NO. TWELVE**Administrative Services****Personal Liability and Property Insurance**

1. The Mutual's Master Policy covers the Mutual's buildings and common areas. This rule does NOT cover earthquake damage and does not cover a resident shareholder's personal property anywhere on Mutual Twelve premises, including any non-structural upgrades such as appliances, fixtures, and other interior improvements in the dwelling unit. Nor does this rule cover personal liability in the event a resident shareholder becomes legally liable for causing bodily injury and/or property damage to another person or to Mutual property. BE AWARE that the liable shareholder is responsible for payment of the Mutual's policy DEDUCTIBLE when damage occurs through no fault of the Mutual Corporation.
2. If the unit has been expanded structurally, the expansion is part of the Mutual's buildings and would, if the premises are restored, be rebuilt in case of a covered peril. However, resident shareholders would be responsible for any non-standard/non-structural items within the expansion or original space such as, but not limited to, upgraded doors, bay windows, triple pane windows, skylights, flooring, window treatments, counter tops, cabinets, appliances, fixtures.
3. The Mutual Corporation is not responsible for personal property, or damage to personal property stored or parked on the street or in the carport, such as vehicles and other property stored in or under the storage cabinets.
4. An HO-6 condo policy can provide the coverage a resident shareholder needs to insure payment of the Mutual's deductible, personal property, personal liability, and to complete repairs to the interior items that are their responsibility.
5. As each resident shareholder's situation is different, the best advice is to consult with a professional insurance agent that is knowledgeable about the dwelling unit and the resident shareholder's needs so that they have sufficient personal insurance coverage in the event that the interior of the unit, non-standard items, non-structural items and/or personal possessions are damaged or destroyed or when personal liability issues arise.

Document History

Adopted: 13 Nov 14 Amended: 12 Nov 15 Amended

Keywords: Mutual Twelve Personal Liability Property Insurance

REQUEST FOR BUILDING CAPTAINS

The Board of Directors of Mutual Twelve is recruiting volunteers to become Building Captains.

What does a Building Captain do?

Welcome new Shareholders in your building.

Circulate the monthly minutes, informational flyers, & assist Parcel Director in selling the annual Luncheon Tickets.

Forward questions or concerns to Parcel Director or other Board Member.

May provide information to First Responders in the event of an emergency, such as fire or earthquake.

A Building Captain is NOT responsible for the general well being or health of their neighbors.

If you feel you can be a Building Captain, please contact your Parcel Director. Thank you very much.

“Service to Others is The Rent You Pay For Your Room Here On Earth.” Muhammad Ali.

Portfolio Specialist Report

January 2024

NO WIPES IN THE PIPES

Wipes cause a pain in the drain!

Know what ^{NOT} to flush.



The infographic features a central blue toilet icon with a pipe leading down. To the left, a green checkmark icon is next to the text 'TOILET PAPER!'. To the right, a red 'X' icon is next to the text 'EVERYTHING ELSE...'. Below the toilet, there are two columns of items with red 'X' marks next to them. The background includes images of toilet paper rolls and water splashes.

TOILET PAPER!
Some products may say "flushable," but the only safe items to flush are
TOILET PAPER, WATER and HUMAN WASTE.

EVERYTHING ELSE...

- × BABY WIPES
- × Q-TIPS
- × FACIAL WIPES
- × CLEANSING PADS
- × TAMPONS
- × SANITARY PADS
- × TOILET ROLL TUBE
- × MEDICINES
- × BANDAIDS
- × DIAPERS
- × FOOD WASTE

...just to name a few!

Did you know that most wipes labeled "flushable" are not biodegradable and cause major stoppages?

Even though our crews routinely pull wipes out of the pipes, there are still many items that are clogging the lines.

Flushing anything other than the Three P's causes blocked sewage pipes that can lead to sewage overflows into our homes, property, rivers and waterways; also expensive repairs.