

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
April 14, 2009**

MEETING: Upon notice duly given and received, this meeting of the Lake Mission Viejo Association Board of Directors was held at the lake offices. The meeting was called to order by Diane Lincoln at 7:02 PM.

Board Members Present: Diane Lincoln, President
Fred Mellenbruch, Vice President
Jane Chadburn, Secretary
Sid Wittenberg, Treasurer
Alan Virdinis, Board Member

Staff Members Present: Janice Chandler, Human Resources Manager
Dave Kerr, Administrative Manager

Others Present: J. Sperber, M. Ziegler, E. Rodriguez, A. Waugh, , A. Kotnik, M. Willkie, S. Byron, N. Schmidt, , M. Bender, T. Musilino, F. Nin, B. Thom, R. Simenz, P. Tietz, L. Shepard, K. Abele, W. Broadhag, A. Waugh, R. Denecor, P. Krinitt, S. Krinitt, W. Halagarda, M. Willkie, F. Sullivan L. Leslie and T. Speiss.

Minutes: Motion duly made by Sid Wittenberg and seconded by Fred Mellenbruch to approve the minutes of the March Board Meeting Vote carried: 5-0-0

Director's Report: Diane Lincoln stated that proposed changes to the LMVA Rules and Regulations are being mailed out to the membership along with the May Noticia del Lago. Ms. Lincoln complimented the Yacht Club regarding the Opening Day ceremonies on March 29th. She also thanked staff for keeping the facilities running smoothly over the past months.

Special Presentation: Ardavan Keyhan of Keyhan and Associates presented the 2008 Audit report. Mr. Keyhan stated that financial reports for 2008 are similar to those of previous years but collections have slowed down this past year. An adjustment to the "Allowance for Bad Debt" has been made due to the increase of delinquent accounts. The association ended the year with approximately \$6,500,000.00 in cash. The majority of the cash is allocated to the future replacement of reserve items. The association collected about \$6,000,000.00. The expenses were less than budgeted, which allowed for the absorption of this bad debt allowance. This helped the association avoid raising the dues to make up for the increase in bad debt. The association has about \$6,000, 000.00 in investments in CD's which range from 3 to 6%. Diane Lincoln asked Mr. Keyhan about outstanding delinquent accounts. Mr. Keyhan stated that LMVA has the best collection record of any association he audits with only 3% outstanding debt from delinquent accounts. Member Tom Speiss asked about collection procedures. Mr. Keyhan deferred to Administrative Manager Dave Kerr who briefly outlined the association collection procedures for accounts past due over 90 days.

Members Forum: Member Lee Leslie addressed the Board regarding the closing of the Dock House battery room for remodeling. He was upset because he was restricted from renting electric boats for the period April 13 –April 23rd. This prevented Mr. Leslie from

fishing during the bass spawning season. Mr. Leslie requested that staff charge the batteries inside the administration building. Ms. Lincoln explained to Mr. Leslie that OSHA restrictions and concern for the employee's health prevents LMVA from charging batteries in any building. Ms. Lincoln stated that Dave Kerr had spoken to Mr. Leslie and offered him a rowboat so he could continue fishing during the remodel. Mr. Leslie stated that he had a disability that prevented him from using a rowboat. Mr. Leslie requested that the Board restrict everyone from fishing on the lake until the remodel of the battery room was completed. Ms. Lincoln suggested that Mr. Leslie use the shore fishing area. Ms. Lincoln stopped the discussion at this time.

Special Presentation:

Karel Kriz presented a concept for improvement of the Lake Concourse and Breezeway area. Mr. Kriz stated that the Breezeway and Concourse area constitute one of the three main entrances to the Lake used by 70% of the members who visit the Lake. The concept for the Breezeway includes a concrete bench seat and pedestal planters, along with new concrete walkway with the Lake Logo embossed in the concrete using a concept similar to the Lake Walk along Alicia Parkway at the dam. Mr. Kriz moved on to detail the concept for the Concourse area (the Lake side of the Administration building) with seating facing the lake, enhanced lighting, reconfigured landscape, replacement of the existing deck and stairway. A general discussion began regarding the concepts presented. Mr. Kriz shared samples of various materials to be used in the projects. Colors to be used included white for the buildings along with blue trim. Diane Lincoln asked if this would take LMVA color scheme back to the blue/ white nautical color scheme. Mr. Kriz stated that the color scheme would indeed return to a blue/white theme. The Board agreed in general to the idea of painting the buildings white with blue trim. Mr. Kriz completed the presentation by stating that he had a meeting planned with the City of Mission Viejo during the next week to get feedback from City departments regarding feasibility of these projects. The Board offered general support for the projects and stated that they looked forward to feedback from the City of Mission Viejo.

Delegate's Report: None

Treasurer's Report: The financial statements for month ending March 31, 2009 were distributed. The financial information discussed was contained in the statements.

The Lake Mission Viejo Association financial statement through March 31, 2008 shows:

Actual revenue of	\$ 1,551,060	2
Gross Income of	1,545,290	3
Actual Operating Expenses of	1,103,988	5
Capital Expenditures	449	5
Net Income	440,853	5
Budgeted Net Income	199,800	5
Total Investments	7,093,953	1
Total Operating Cash on Hand	255,775	1
Interest Income	51,158	2

Three months into the year, our budget has worked as designed. There were no expense trends indicating any problem.

Committee Report: None

Manager's Reports:

ADMINISTRATIVE MANAGER'S REPORT

BILLING/MEMBERSHIP DEPARTMENT

- As of 4/01/09 staff has deposited \$2,501,579.00 in membership assessments for current period or 95.3% of the 01-6/30/09 assessment.
- As of 3/01/09, 419 files are at the collections attorney's office, with 154 accounts delinquent for the 7/01-12/31/08 assessment period and 265 owing for multiple periods.
- Membership counselors processed 3 new voluntary memberships during the month of March.

ACCOUNTING DEPARTMENT

- CD and money market rates are continuing to trend lower. 2 CD's purchased for one year term on 04/06/09, average yield 1.46%.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.

FINANCIAL (Revenue · Cost · Reserve · Audit)

- Keyhan Hewitt Accountancy Corporation has completed the 2008 Audit and will be presenting to the Board on 4/14.
- Financial statements for period ending 03/31/09 are in your packets.

MEMBER / COMMUNITY RELATIONS

- Production work on the 05/09 issue of the Noticia has been completed and will be scheduled for printing to be mailed to the membership by 5/01.
- Clubhouse bookings for 2009 up to 32 events with 14 being weddings and or receptions. Business is steady and the clubhouse continues to be popular with the membership.
- Angler of the Year "Lures Only" tournament and season ending barbecue along with presentation of the Angler of the Year plaques took place on 3/22.
- The Opening Day ceremonies for the LMVYC including the Commodore's Brunch and a great sailing regatta (Lot's of wind) took place on 3/29.
- USMC Appreciation Day scheduled for Saturday, 4/25.
- On 4/08 myself and our landscape foreman (Carlos from O'Connell Landscape) met with the property management for Finisterra on the Green, Danian Hopp (President of Finisterra on the Green), and representatives from Santa Margarita Water District regarding property boundaries on the dam. The meeting was informative and we resolved that landscape maintenance issues in the area were on Finisterra on the Green and Santa Margarita Water District proper.

BIOLOGY / LAKE INFORMATION (High 701.15 – Low 700.00 Operating Range)

Lake Elevation	700.70	feet above sea level		
Surface Water Temperature	59-61	degrees		
Secchi Visibility	46	feet		
	<u>Jan</u>	<u>February</u>	<u>March</u>	<u>2009 Total</u>
Purchased Water:	0.00 af	0.00 af	0.00 af	0.00 af
Actual Rainfall:	0.31”	4.53”	0.18”	5.02”
Average Historical Rain:	3.12”	3.90”	2.80”	9.82”

- Bass Catch and Release continues as spawning season is currently underway with several large bass landed so far this season.

HR / LIFEGUARDS / SAFETY & HEALTH (Incidents · Inspections · Etc).

- Lifeguard rookie training continues during weekends in April.
- 226 junior lifeguards have passed their swim test and are registered for the program this summer. The program is full for the 09 season with a stand-by waiting list.

MAINTENANCE/BOAT RENTALS / LANDSCAPE

- March 09 Boat Rental Statistics included in your packet.
- Maintenance staff installing new Honda motors on the patrol boats.
- LMVA signs being refurbished for the corners of Alicia and Olympiad.
- New color flowers added to the entrance prior to Easter.

MAJOR PROJECTS / INITIATIVES.

- Restroom flooring refurbishment completed on 3/26
- Snack Bar air conditioning unit installed on 3/30
- Asphalt removal and replacement project completed on 4/03.
- Geotechnical sample drilling for the Amphitheater/Bowl Extension project to take place on 4/09.
- Dock House battery room refurbishment scheduled to start on 4/13. Electric fishing boat rentals will be out of service until the project is complete (up to 2 weeks).

WEBSITE

- Website statistics for 3/09 show 31,762 visits to the website; down 6% from 03'08.

OLD BUSINESS

Proposed Amphitheater/Reconfiguration of the ADA Access Ramp Design and Consulting Fees.

Dave Kerr stated that Karel Kriz has obtained three (3) bids for design and engineering fees regarding the Amphitheater/Access Ramp project discussed previously. The scope of the work includes providing engineering services in order to develop construction documents for the proposed projects. Mr. Kriz addressed the board regarding the projects. He stated that we have completed the soil samples and should have the results in a couple of weeks. Mr. Kriz recommended Allen Designs to provide civil and structural design services for the project. Mr. Kriz stated that he would be including these projects in his discussion with City of Mission Viejo staff in the next week, and would like to receive input from the City prior to moving forward with selecting a contractor to provide engineering services for the projects. Sid Wittenberg began a discussion regarding the feasibility of the amphitheater and the ADA Access Ramp. A general discussion took place regarding the feasibility and engineering costs of the two projects. The Board agreed that preliminary discussions with City staff were needed prior to approving engineering for the projects. Mr. Kriz explained that he needed a survey of the slope to start the process, followed by engineering work prior to submittal to the City and there would be a three month minimum time frame to pull permits. Mr. Kriz stated that information gained from meeting with City officials will be informal and not binding. He went on to say that the only reason for bringing the issue up at this meeting is to provide the Board with some idea of engineering costs and obtain permission to go to the City for information.

Alan Virdinis made a motion to approve engineering on the contingency that there were no prohibitive issues discovered when talking to the City of Mission Viejo to stop the project. Second, Jane Chadburn. A discussion took place regarding approval of engineering costs. Jane Chadburn suggested that the motion be tabled until the May meeting. Fred Mellenbruch made a motion to table the motion on the floor until the May 2009 Board Meeting. Second, Sid Wittenberg. Vote Carried 5-0-0.

NEW BUSINESS

2009 Election Dates

Dave Kerr stated that it is time to approve dates for the annual Delegate and Board Election Nights to allow printing of proxies in time for mailing with the 7/01 assessment statements. Mr. Kerr recommended October, 6th for the District Delegate Elections, October 13th for, the Reconvene Delegate Meetings and October 27th for the Board Election Night. Sid Wittenberg made a motion to approve the recommended dates in October for the 2009 Elections, Second Fred Mellenbruch. Vote carried 5-0-0.

Slurry Seal Coating Administration Parking Lot

Dave Kerr stated that we have three (3) bids for Slurry Seal Coating of the administration parking lot (approximately 112, 719 square feet of existing asphalt). Slurry seal to be machine applied. Mr. Kerr recommended JB Bostick Company, Inc. for the project at a cost not to exceed \$11,000. J. B. Bostick company is the low bid and has been our preferred contractor regarding slurry seal for several years. The total expense for this project of \$11,000.00 is to be expensed from Reserve Account 2045. LMVA Reserve Analysis has \$11,948.21 allocated for this project.

Restriping of the existing parking lot layout will be covered through operating account 5081 using the low bid from Ideal Striping of \$2,181.40.

Jane Chadburn made a motion to approve the bid from J.B. Bostick Company for the Slurry Seal Coating project for an amount not to exceed \$11,000.00 with the expense to

come from Reserve Account 2045. Second Sid Wittenberg Vote carried 5-0-0

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:04 PM.

Attest: _____, Secretary