

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
August 11, 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 Fred Mellenbruch at 7:04 PM. Mr. Mellenbruch stated that Board President Diane Lincoln was not present at the meeting

Board Members Present:

Fred Mellenbruch, Vice President
Jane Chadburn, Secretary
Sid Wittenberg, Treasurer
Alan Virdinis, Board Member

Staff Members Present:

Kevin Frabotta, General Manager
Dave Kerr, Administrative Manager
Norma Risher Billing Clerk

Others Present: M. Ziegler, K. Kriz, , A. Kotnik, J. Sperber, N. Schmidt, M. Terusa, W. Halagarda, R. Simenz, S. Byron, M. Wilkie T. Hoadwonic, A. Cook, A. Waugh, M. Terusa, M. Bender, P. Krinett, E. Rodriguez, K Abele, W Broadhag, S Krinett and R Heiman.

Minutes: Motion duly made by Alan Virdinis and seconded by Jane Chadburn to approve the minutes of the July 2009 Board Meeting. Vote carried: 4-0-0

Special Presentations:

Long Term Planning Projects Update: Karel Kriz presented information regarding the Breezeway and Concourse project with more detail to be available for the September meeting. Mr. Kriz reported that the soils engineers are rewriting their report and the results will make the amphitheater a viable project. Mr. Kriz went on to say that the landscape plan, along with the Breezeway/Concourse redevelopment project plans were coming along nicely and he would have costs at a future meeting. Alan Virdinis asked about a meeting with city officials. Mr. Kriz stated that he and General Manager Kevin Frabotta were meeting with the city officials on Thursday August 13th.

Members Forum:

Member Wayne Broadhag stated that the portable toilets used during the concerts needed lighting inside the units. Board member Fred Mellenbruch suggested portable translucent lighting to solve the problem.

Commodore Maurie Wilkie of the LMVYC stated that the Yacht Club had an informal sail on Sunday August 09th that was very successful. He invited members to attend the 32nd Annual LMVYC Regatta on Sunday, August 16th.

Member Phil Krinett stated that he attended the Robert Cray concert on August 8th and that the music was too loud.

Delegates Forum:

Delegate Nancy Schmidt from Mallorca stated that many members from Mallorca were very complimentary about the 2009 concert schedule.

Delegate Stu Byron from Palmia thanked the staff for providing him with historical information regarding mandatory membership for homes belonging to LMVA.

Delegate Rod Simenz asked the Board to consider placing a bench in the park area adjacent to the launch ramp at North Beach.

Director’s Report:

Board Member Alan Virdinis asked staff to provide information about Clubhouse rentals to local jewelry stores as a jewelry store owner told him that he has had many customers propose marriage at or on LMV. The BOD directed staff to deliver Clubhouse brochures to local jewelers.

Board Member Fred Mellenbruch stated that Lifeguard Captain Dave Peden along with lifeguard Danielle Wilson affected a successful rescue and resuscitation of a member from the swimming area during July. Captain Dave Peden gave details of the rescue.

Treasurer’s Report: Treasurer Sid Wittenberg provided the following report.

The Lake Mission Viejo Association financial statement through July 31, 2009 shows:

Actual revenue of	\$ 3,766,825	2
Gross Income of	3,725,775	3
Actual Operating Expenses of	3,312,580	5
Capital Expenditures	449	5
Net Income	412,745	5
Budgeted Net Income	800	5
Total Investments	7,850,026	1
Total Operating Cash on Hand	353,915	1
Interest Income	107,231	2

Committee Report: None

Manager’s Reports:

GENERAL MANAGER'S REPORT

FINANCIAL (Revenue · Cost · Reserve · Audit)

- Our 2010 Budget process has begun with budgets distributed to respective departments for first pass.
- Completed initial review of our annual Reserve Analysis. This included a thorough walk and visual inspection of all items in the reserve, both here and at East Beach with Steve Jackson, Advanced Reserve Solutions, Inc. We expect his first draft within approximately 2-3 weeks.
- Our Non Profit Tax filing form 990 is being prepared and completed by our Accountants with a due date of August 15, 2009.
- Concert revenues through July reflect a 41% decrease against budget (\$9,794), but our budget included \$10,000 in sponsorship revenues which never materialized.
- Merchandise sales for July were up \$1,104 reflecting a 25% increase over budget and are up 9% year to date.

HR/LABOR

- Our largest variable expense (part time payroll) through July is tracking favorably for the year by \$2,357 at \$495,043 versus a budget of \$497,400. We are now preparing for end of season staffing reductions which will begin gradually from the third week of August through mid September.

COMMUNITY RELATIONS

- Completed initial meeting with John Schatz, General Manager and Dan Ferons, Chief Engineer of Santa Margarita Water District here at our facility on 8/7/09. Discussions included rate increase, conservation programs, and the quagga mussel issue, among others.
- Meeting scheduled 8/13 with Mission Viejo City employees, Keith Rattay, Kelly Doyle and Rene Beach.

Special events

- Facilities usage fees, which include our Clubhouse bookings, are up 22% for the year at \$43,665 against a budget of \$35,800.
- Taste of the Lake / Paint the Lake / Jazzfest 9/19/09
10 Restaurants are signed for Taste of the Lake so we are fully committed, and contacts have begun regarding the Paint the Lake event. We have a very exciting Talent lineup booked for the Jazzfest, which includes vocalist Oleta Adams, violinist Antonio Pontarelli and saxophonist Candy Dulfer.

PROJECTS / INITIATIVES

- Received final approvals / permits from the City of MV for Vapor Recovery System for the maintenance fuel tank. (Required by AQMD) Bryant is coordinating scheduling of the installation of the new tank with the contractor. This is a 3 day project and will be scheduled for completion within the next 3 weeks and coordinated for minimal disruption to operations.
- Tom Buckowski is in contact with both of our sources for fish stocking. We have requested certification regarding the Quagga mussel issue from both locations.

ADMINISTRATIVE MANAGER'S REPORT

BILLING/MEMBERSHIP DEPARTMENT

- As of 8/01/09 staff has deposited \$2,272,000.00 in membership assessments or 87% of the current assessment period 07/01-12/31/09 .
- As of 8/01/09, 360 files are at the collections attorney's office, with 135 accounts delinquent for the 7/01-12/31/08 assessment period and 225 owing for multiple periods.
- Proxies for the Delegate elections continue to return at a steady pace.
- Membership counselors processed 8 new voluntary memberships during the month of July.

ACCOUNTING DEPARTMENT

- Invested \$1,150,000 on 8/01 to reduce cash in our Money Market fund and gain some yield from the influx of assessment payments for the current period; 2 CD's for \$99,000 each @ .20% for 30 days, 1 CD for \$99,000 @ .26% for sixty days, 2 CD's for \$99,000 each @.56% for ninety days, 1CD for \$249,000 @ 2.09% for one year, 1 CD for \$150,000 @ 1.35% for one year, 1 CD for \$249,000 @ 2.10% for two years.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.

FINANCIAL (Revenue · Cost · Reserve · Audit)

- Financial reports for 7/31 will be in your packets.
- Budget 2010 preparation has begun with Laura distributing the template to managers.

MEMBER / COMMUNITY RELATIONS

- Production work on the 09/09 issue of the Noticia is in the final stages including information for the Family Fun Day/ concert (with fireworks) and the Taste of the Lake information
- Clubhouse bookings for 2009 up to 44 events with 17 being weddings and or receptions.
- Jonny Lang concert was received very well. Gate count was 3572 members and 519 guests 4091 total attendees.
- Restless Heart/Collin Raye show was not as busy as the Lang show. Gate count was 2284 members and 413 guests 2697 total attendees..
- The LMVYC 33rd Annual Regatta is scheduled for Sunday 8/16.

BIOLOGY / LAKE INFORMATION

Subject: Current Lake Information

Lake Elevation:	700.70 ft. asl
Surface Water Temperature:	81 - 84 °F
Secchi Visibility:	41 feet

WATER

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u> (to date)	<u>Year- to-date Total</u>	<u>Rain Season Total</u> (July 1,'08 through July 1,'09)
Purchased Water:	0 a.f.	0 a.f.	0 a.f.	10 a.f.	44 a.f.	54 a.f.	0 a.f.	108 a.f.	
Actual Rainfall:	0.31"	4.53"	0.18"	0.15"	0.11"	0.08"	0"	5.36"	11.72"
Avg. Historic Rain:	3.03"	3.92"	2.71"	0.99"	0.37"	0.12"	0.04"	11.14"	15.41"

Domestic Lake fill

We have ordered 60 acre feet of water to be delivered prior to the SMWD price increase scheduled for 8/15/09.

General Lake Conditions

Tom Buckowski is on vacation at press time so this report is brief for July..

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

- Lifeguards had another major incident on 8/02 where Captain Peden (once again) and staff performed CPR on an adult male. They resuscitated him and he was transported to the hospital via the paramedics.
- The LMV Junior Lifeguard Program hosted the San Clemente State Junior Lifeguards in a competition on Wednesday 8/05. There were a total of 210 competitors with 85 from /San Clemente and 105 from LMV. The competition was followed by a hotdog lunch cooked by the LMV Junior Lifeguard Instructors. Everyone had a great time!!

MAINTENANCE/BOAT RENTALS / LANDSCAPE

- The new party boats and motors approved at the last meeting are ready for shipment from Indiana. We have already received the Ray motors and the boats will be in service 2 or 3 weeks after delivery of the boats.
- Maintenance staff is installing the new 90 HP Honda motor on the Bio/Maintenance boat this week.

WEBSITE

- Website statistics for 7/09 show 49,036 visits to the website; down 4% from 07'08.

OLD BUSINESS

None

NEW BUSINESS

None

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 7:40 PM.

Attest: _____, Secretary