

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
February 10, 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 7:00 PM.

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

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

Others Present: A. Virdinis, J. Sperber, M. Ziegler, K. Kris, E. Rodriguez, A. Waugh, , A. Kotnik, M. Willkie, T. Musolino, S. Byron, N. Schmidt, R. Simenz, M. Bender, W. Halagarda, A. Cook, T.Hoadwonic, K. Kuczer, S. Peters, V. Savage and P. Tietz

Consent Agenda: Motion duly made by Fred Mellenbruch and seconded by Jane Chadburn to approve the Consent Agenda which included the minutes of the January Board Meeting and the Board Action with/out a meeting: "Ratification of and Direction to HR Manager, Personnel Directive" Vote carried: 4-0-0

Director's Report: Diane Lincoln announced that as of 1/27/09 Howard Sandler was no longer the General Manager and that the Board wishes him well in his future endeavors. Diane announced the closure of LMVA facilities to members on Wednesday, 3/11/09 for an employee training. This day also coincides with a trout stocking, where the lake will be closed to fishing for the day, thus causing the least disruption of normal services for the members. The LMVA facilities will reopen at 4:00 p.m. on 3/11.

Members Forum: Art Cook said he was surprised regarding Howard Sandler's departure. Diane Lincoln stated that California law prohibits discussion of personnel issues in a public forum.

Delegate's Report: None

Special Presentation: None

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

Sid Wittenberg reported:	Revenue of	\$ 516,709
	Gross Income of	516,762
	Operating expenses of	325,822
	Capital Expenditures	45
	Net Income	190,895
	Budgeted Net Income	30,300
	Total Investments	7,566,924
	Total Operating cash on hand	142,204
	Interest Income	19,129

One month into the year, our budget has worked as designed. There were no expense trends indicating any problems.

Committee Report: Jane Chadburn, Chairperson of the Long Range Planning Committee stated that a meeting of the committee was held on January 14, 2009. Ms. Chadburn provided a brief history of the recent meetings and stated that the committee voted unanimously to present a list of Capital Expansion projects that would benefit the membership to the Board for consideration.

Ms. Chadburn then called on Karl Kriz to provide an overview of the Capital Expansion projects under consideration. Mr. Kriz outlined 8 projects that have been discussed by the committee in past meetings and approximate costs associated with each project. They included:

1. New Administration Building at Boat Storage.
2. Existing Administration Building Retrofit.
3. New Clubhouse at the Roundabout/adjacent to the Lifeguard Tower.
4. Amphitheater on Slope at Rear of the Bowl.
5. Bowl Peninsula Extension.
6. Interactive Water Feature.
7. ADA Ramp Re-alignment at Rear of the Bowl.
8. Building and Landscape Improvements, Signage and Lamp Post Replacement.

Diane Lincoln stated that projects 4 through 8 were the projects that the committee was recommending to the Board for consideration. Ms. Lincoln also stated that some items in project #8 are covered in our Long Term Reserve program. Mr. Kriz stated that the cost estimates were conservative. When asked by Sid Wittenberg if that meant conservative on the low side or on the high side, Mr. Kriz offered that they were conservative on the high side. Ms. Lincoln asked if we needed soils reports to proceed with the projects. Mr. Kriz stated that current soils reports would be needed to start any of the projects. A general discussion ensued regarding priorities of the various projects, including logistics, timing, planning and costs took place. Sid Wittenberg asked if the committee had recommendations for priorities of the projects. Jane Chadburn stated the committee consisted of: Jane Chadburn, Chairperson; Diane Lincoln, Board Member; Art Cook, Delegate; Rod Simmons, Delegate; Howard Sandler, General Manager; also in attendance at all meetings were Managers, Dave Kerr and /Chris Graham. Ms. Chadburn also stated that the committee was recommending the first priority to be the ADA ramp along with the Amphitheater, second, the Building and Landscape Improvements and

third is the Bowl Peninsula Extension along with the Interactive Water Feature. Tony Musolino asked if these projects would need to go before the planning commission. Mr. Kriz stated that all of the projects would need to go before the planning commission with the possible exception of the ADA ramp. Sid Wittenberg asked about the cost to maintain and the potential revenues that might be derived from development of these projects.

A general discussion ensued regarding priorities, benefits to the members, planning and costs of the various projects. Alan Virdinis asked that the Board consider the responsibility of a non-profit organization to continue to grow with new expansion projects and the cost to maintain the new projects once they are completed. Fred Mellenbruch asked about the life expectancy, consideration of adding components to the reserves, energy costs and timing of construction. Mr. Mellenbruch also spoke about considering delegate approval regarding projects as to meet CA law requirements. Mr. Kriz spoke about starting all LMV construction projects in the fall to ensure that projects are completed in a timely manner before the next busy summer season. Ms. Chadburn stated that the committee felt that the refurbishment projects within the facility were a priority. She also suggested that the ADA re-alignment and Amphitheater project be considered as a joint project, as they are located in the same area in the facility and involve hardscape removal and construction.

Ms. Chadburn then asked for questions from the audience. Several delegates spoke regarding the projects expressing support for all items presented by the committee. Several delegates mentioned a timeline for construction to consider coupling projects together for efficiency purposes. Several members of the yacht club expressed support for the projects particularly items in the Building and Landscape enhancement project (# 8) and asked questions regarding future costs of maintaining the new projects upon completion. Ms. Lincoln expressed that the Board would evaluate the projects and take into consideration the responsibility to reserve for future expansion regarding new construction and also consider revenue that would be derived from use of these amenities. She noted that if the projects were approved, they would be constructed over a time frame of a couple of years, depending on coupling projects and development of the projects.

Ms. Lincoln spoke to the priority of the projects as #8 Building and Landscape projects, followed by #4 (the Amphitheater) along with #7 (the ADA Ramp) in conjunction with each other. Art Cook (committee member) praised Mr. Kriz for his work and was encouraged by feed-back from the board and members of the audience as to the scope and costs of the projects. Delegate Nancy Schmidt praised the committee and is looking forward to the property enhancements. Delegate Alan Virdinis wanted to consider the costs and the timing for working on these projects. Ms. Chadburn pointed out that the money for these projects is in the Capital Expansion fund and is earmarked for expansion.

Ms. Chadburn requested some direction from the Board regarding project #8 and feasibility studies for the rest of the projects. . Marty Bender brought up the point that in these economic times we will see more usage of the facilities and that improvement and enhancement of the facilities will benefit the membership. Anna Waugh asked to consider coupling projects to make good economic sense. Ms Chadburn asked that we look at the projects with revenues in mind. She spoke about the bowl expansion as a potential revenue source. Fred Mellenbruch stated that the Board cannot vote on expenditures at this meeting as they were not on the agenda. Mr. Mellenbruch stated that

items that are reserved for can be planned and the Board can direct staff to move forward with these projects.

Mr. Mellenbruch stated that a directive to the staff was in order. Ms. Lincoln directed staff to work out objectives for moving forward with projects from the Building and Landscape improvement list (Item #8) and asked Staff to determine which of these projects were already reserved for, (such as the outside lighting), as well as directed Staff to evaluate all projects being submitted for life expectancy, reserve costs, insurance, landscape costs, future replacement, timing for construction. Ms. Lincoln also directed staff to work with Karel Kriz to develop feasibility studies for all submitted projects and to obtain cost estimates for a minimum of 3 test borings and soils reports for all projects submitted.

Manager's Reports:

ADMINISTRATIVE MANAGER'S REPORT

BILLING/MEMBERSHIP DEPARTMENT

- As of 2/04/09 staff has deposited \$2,257,735 in membership assessments for current period or 86% of the 01-6/30/09 assessment.
- As of 2/01/09, 600 files are at the collections attorney's office, with 240 accounts delinquent for the 7/01-12/31/08 assessment period and 360 owing for multiple periods.
- Membership counselors processed 1 new voluntary membership during the month of January.
- Foreclosed properties continue to sell at an accelerated pace. With prices down and interest rates low buyers are helping to clear out some of our past due accounts and turn them into paying membership accounts again.

ACCOUNTING DEPARTMENT

- CD and money market rates are continuing to drop. We purchased 5 CD's for a one year term in 01/09, each with an interest rate at 2%.
- \$1,300,000 transferred to Comerica Securities in January for short term CD and money market investment. Purchase of laddered CD's from 6 to 24 months is underway to secure current available rates.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.
- Representatives from Wells Fargo Bank will meet with myself and our accountant on 2/12 to present a new business banking option,

FINANCIAL (Revenue · Cost · Reserve · Audit)

- 1/09 financial statements were not available at the time of this report. Laura will have financials available on Monday 2/09.

MEMBER / COMMUNITY RELATIONS

- Long Term Planning meeting held on 1/14 to discuss future projects and plans for Capital Expansion expenses.

- Production work completed for the spring issue of both the Noticia and Discovery to be mailed to members on or about 3/1.
- Clubhouse bookings for 2009 up to 19 events with 9 being weddings and or receptions.
- February Fishing Club tournaments scheduled for 2/14. Tournaments are coordinated to follow the trout stocking schedule.

MAJOR PROJECTS / INITIATIVES.

- Pending restroom refurbishment at NB Snack Bar and Maintenance Building is in progress.
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WEBSITE

- Website statistics for 1/09 show 32,767 visits to the website; down 1% from January '08.

OPERATIONS MANAGER'S REPORT

SPECIAL EVENTS / MEMBER-EMPLOYEE / COMMUNITY RELATIONS

- Per Board request, responded to Spectrum Sports Management, advising that they need to contact the City of Mission Viejo regarding the Trek Women's Triathlon proposal to be held at LMV on Sunday, 6/7.
- Marty Russo an Icon in the Mission Viejo Community passed away on 2/4. Marty started working with the Mission Viejo Company in 1964 in the Community Services Department. He was instrumental in making this community what it is today.
- LMV Yacht Club hosted its Tune-Up Regatta, Sun-1/25, and is schedule to host the SCYA Midwinter Regatta on Sat-2/21.
- Thank you letters and first time participation ship wheel plaques were mailed out to the 2008 Parade of Lights participants.

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

- January, lifeguard statistics included in your packet.
- LMV Lifeguard Department is currently recruiting for seasonal lifeguards to work during the summer of 2009. Lifeguard tryouts are scheduled, Saturday 3/14 & 3/21. Candidates must be 16 years of age by 6/20, 2009.
- In your packet is the 2009 LMV Junior Lifeguard pamphlet. This pamphlet provides test dates & times, registration dates & times, 2009 fees & important dates. For more information go online at www.lmylifeguards.org.
- Employee Safety Incentive Raffle was held on Wed-1/21 recognizing and rewarding the exceptional effort and care exhibited by numerous individuals and their departments in making LMVA a safe workplace throughout 2008. Reportable claims for the year totaled 2. Thirty names were drawn for prize giveaways.
- Attended CACM Law Seminar along with Dave K. on Tues -1/20 in Costa Mesa.

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

Lake Elevation 700.46 feet above sea level

Surface Water Temperature 56-57 degrees

Secchi Visibility 38 feet

	<u>Jan</u>	<u>February</u>	<u>2009 Total</u>
Purchased Water:	0.00 af	0.00 af	0.00 af
Actual Rainfall:	0.31"	0.00"	.31"
Average Historical Rain:	3.12"	3.90"	3.12"
Trout Stocking	February 11, 2009	(3,650 lbs)	Chaulk Mound
	February 25, 2009	(3,650 lbs)	Chaulk Mound

MAINTENANCE / BOAT RENTALS / LANDSCAPE

- January, 2009 Boat Rental Statistics included in your packet.
- January 2009 boat rentals up (882) boats from January 2008.
- New sink faucets, toilet hardware, hand dryers & baby changing tables have been installed in the N.B. fishing and breezeway restrooms.

OLD BUSINESS

None

NEW BUSINESS

Diane Lincoln stated that pursuant to LMVA bylaws, Article IV, Section 7 regarding selection of a replacement for a vacant position on the Board of Directors shall be filled by a vote of the rest of the Board.

The replacement Board member will fill the remaining term of the open position which will come up for election in October of 2009. Fred Mellenbruch made a motion to open nominations to select a replacement Board Member, Second Sid Wittenberg, Vote carried 4-0-0. Mr. Mellenbruch made a motion to nominate Alan Virdinis to fill the open Board position. Second, Sid Wittenberg. Vote Carried 4-0-0. Motion made by Fred Mellenbruch to close nominations, Second Sid Wittenberg. Vote Carried 4-0-0. The Board voted 4-0-0 to elect Alan Virdinis to fill the balance of the term of the open Board position, which runs until October 2009.

75 HP Patrol Boat Motor Purchase - (Motor Summary & Reserve Component Detail Attached)

Chris Graham stated that there is a need to purchase two 75 HP motors for LMV's patrol boats. Two 75 HP motors for LMV's three Patrol Boats were last purchased in 2006. This purchase will allow LMV to replace one motor, having the second motor as an emergency back-up. As such, Chris requested approval to purchase two 75 HP Honda Outboard motors from Trade Wind Inflatable for a cost not to exceed \$17,217.80 with funds coming from Reserve Account #2046. \$20,720 is in Reserve for this purchase. Fred Mellenbruch made a motion to approve purchase the motors from Tradewinds Inflatable. Second, Alan Virdinis. A brief discussion ensued regarding the life expectancy of the motors and maintenance of said motors. Vote Carried 5-0-0.

90 HP Patrol/Pontoon Boat Motor Purchase - (Motor Summary & Reserve Component Detail Attached)

Chris Graham stated that there was a need to purchase one 90 HP motor for LMV's Pontoon Boat was last purchased in 2003. This purchase provides LMV with a back up motor in the event a new motor is needed for patrol boat 9002/bio boat. As such, Mr. Graham requested approval to purchase one 90 HP Honda outboard motor from Trade Wind Inflatable for a cost not to exceed \$9,148.41 with funds coming from Reserve Account #2046. \$10,360 is in Reserve for this purchase. Motion made by Fred Mellenbruch, Second Jane Chadburn, Vote carried 5-0-0

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:33 PM.

Attest: _____, Secretary