

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
January 13, 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 7:04 PM.

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

Staff Members Present: Howard Sandler, General Manager
Dave Kerr, Administrative Manager
Chris Graham, Operations Manager

Others Present: F. Nin, J. Sperber, M. Ziegler, K. Kriz, M. Abuelafiya, W. Broadhag, K. Abele, D. Roohk, A. Kotnik, M. Willkie, R. Tiffany, T. Musolino, S. Byron, N. Schmidt, J. Sobczak, R. Simenz, M. Bender, P. Krinitt, S. Krinitt, R. Denecour, T. Speiss

Minutes: Motion duly made by Fred Mellenbruch and seconded by Sid Wittenberg to approve the minutes of the December Board Meeting. Vote carried: 3-0-1 (Jane Chadburn, Secretary was absent from the December meeting).

Members' Forum: Rod Simenz stated that while recently visiting the Membership Office, he was admiring the new furniture, and now recommends that nameplates be placed on each desk.

Mary Abuelafiya asked if there had been further discussion regarding changing the 15' Rule. Chris Graham stated no; however, numerous suspensions have been meted out for violations, and extensive communication regarding the rule is also being distributed from a number of contact points as a policy reminder to anglers. As a further heads up to the BOD and Staff, Ms. Abuelafiya then stated that she had recently been flagged down by non-members looking to gain unauthorized lake entry at the Market Dock.

Delegate's Report: Frank Nin of Finisterra stated that he was sent on behalf of his community to ask for the help of lifeguards in checking IDs to keep non-residents from fishing off of Finisterra's dock and bulkhead. General questions were asked by the BOD regarding knowledge of unauthorized activity. Chris Graham stated that most citations issued for fishing without permits already do come from Finisterra. He then recommended that the Sheriff be called as this is really a matter of trespassing, and action by the Sheriff Department would send a strong message toward resolving this situation.

John Sobczak of California Colony stated that he has empathy for lakefront homeowners affected by 15' Rule violations mentioned previously. On another note, he stated that he thought it may be in the best interest of LMV to again stock trout from multiple suppliers in hope that fish from different sources might help anglers increase the frequency of catches in what has been a very slow season for those fishing at LMV. Lake Biologist

Tom Buckowski stated that, for whatever reason, a number of lakes are expressing that they are also experiencing slow catch activity this season. He added that LMV is looking to stock from another supplier again at the end of February pending receipt of documentation verifying that their fishery is free of invasive mussel species.

Special Presentation: Dave Rhook, of HDR Engineering, presented an overview of the lake monitoring services that his company provides to LMVA. General discussion ensued regarding such topics as status of LMV being quagga mussel free, as well as the lake, dam and bulkhead inspection programs. Upon completion of presentation and discussion, Jane Chadburn made a motion to renew the contract for 2009. Annual cost is \$47,600. Second, Fred Mellenbruch. Vote carried: 4-0-0.

Director's Report: None

Treasurer's Report: The financial statements for month ending December 31, 2008 were distributed. The financial information discussed was contained in the statements.

Sid Wittenberg reported:	Revenue of	\$6,595,992
	Gross Income of	6,465,556
	Operating expenses of	6,431,554
	Capital Expenditures	34,002
	Net Income	0
	Budgeted Net Income	0
	Total Investments	6,347,795
	Total Operating cash on hand	110,064
	Interest Income	257,427

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

Committee Report: Jane Chadburn stated that the next Long Range Planning Committee meeting is scheduled for January 14, 2009.

Manager's Reports:

GENERAL MANAGER'S REPORT

FINANCIAL (Revenue · Cost · Reserve · Audit)

- 2008 YTD bottom line was \$712K better. Though total revenues for the year were only slightly higher than Budget, significant positive gains were realized in Clubhouse Facility and Boat Rentals, as well as In-House Recreation and Special Event Revenues as a result of actions initiated in each noted area. Major cost improvements from Budget were realized in Payroll, Printing, Utilities, and Postage due to controls and containment measures put in place throughout the year. Commercial Insurance and Lake Refill expenses were also significantly below Budget as a result of well planned decisions and timely rainfall.

HR / LABOR TOPICS

- Part Time payroll cost in December was \$5K less than same period of 2007. Through improved focus on staffing levels and scheduling, 2008 base part time payroll expenses were reduced by \$66K from 2007 level despite impact of minimum wage hike and merit increases. By containing part time coverage, another \$6K was saved in associated payroll taxes.

- 2009 Group Insurance Plan introduction and enrollment meeting was conducted on 12/9 by Broker and insurance representatives, with facilitation by Janice. All enrollments for eligible participants were completed, and coverage is in place.
- Managers and BOD have been provided with an excerpt from the “Fish” book series pertaining to customer service, attitude, teamwork, and change in the workplace. Material to be shared with supervisors and staff to promote and emphasize this overall performance goal.

MEMBER / COMMUNITY RELATIONS

- Executive Session was held on 12/9 to review insurance matters and 2009 KRA planning.
- Still receiving numerous positive comments from members regarding location and convenience of the new Dock Shop.
- 12/21 fishingnetwork.net blog expressed dissatisfaction to recent “persistence” by lifeguard personnel in enforcing the 15’ rule. Despite annoyance with rule enforcement, same blogger applauded diligence of staff for going to great lengths in attempting to prevent a mussel infestation at LMV, and also referred positively to the large size of Chaulk Mound Hatchery trout being stocked into the lake.

SPECIAL EVENTS & RECREATION

- 2008 Clubhouse bookings were 64 functions + 21 HOA meetings for a total of 85 gatherings compared to 32 in 2007.
- Holiday Show, Santa’s Arrival, Annual Parade of Lights and Craft Faire were staged on 12/13. Gate attendance during 4-9 PM event hours was only 470, down from 743 in 2007. Cold weather and sprinkles kept the crowd level down. 18 boats were entered in the Parade. Overall event to be revamped in 2009.

FACILITIES / GROUNDS / EQUIPMENT (R&M · Landscape · Etc)

- Admin and Maintenance Building interior walls, doors, etc were touched up where needed to keep the painting project which was completed in December ‘07 looking fresh.

MAJOR PROJECTS / INITIATIVES

- Dock Shop storefront awning structure was installed on 1/8.
- New work stations and cabinetry for all gates at North Beach entrance have been installed.
- Pending restroom refurbishment at NB Snack Bar and Maintenance Building is back in progress.

CONTRACTUAL (Bids · Compliance · Etc)

- 2009 commercial insurance coverage that was reviewed, selected and approved by BOD at 12/9 Executive Session is in place.

ADMINISTRATIVE MANAGER’S REPORT

BILLING/MEMBERSHIP DEPARTMENT

- Processing of January 1-June 30 assessment payments is well underway. Assessment deposit is at \$1.519M (58.0% of semi-annual total) thru 1/8.
- As of 1/1/09, 615 files are at the collections attorney’s office, with 251 accounts delinquent for the July-December, 2008 assessment period and 364 owing for multiple periods.
- Membership counselors did not process any new voluntary memberships during the month of December.
- Processing of foreclosed and bankrupt properties has been continuing at an accelerated pace.
- Bank owned properties sales are on the increase, with new qualified buyers moving into member properties that have had collection problems over the past year.

ACCOUNTING DEPARTMENT

- CD and money market rates have decreased over the past month. With the influx of cash from semi annual assessment payments, short term CD’s are being explored in an effort to improve yield over current money market rates.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.
- Recently met with Wells Fargo representatives to explore alternative commercial banking options.

MEMBER / COMMUNITY RELATIONS

- Production work is underway for the spring, 2009 issue of both the Noticia and Discovery which will mail out to members on or about 3/1.
- The January Fishing Club Tournament is scheduled for 1/17, closely following the scheduled 1/14 trout stocking.
- The Holiday Kids' Fishing Derby was held on 12/31, following the 12/30 trout stock. 126 participants landed approximately 40 fish with the winning catch over 3 pounds in both divisions.

WEBSITE

- Website statistics for December '08 show 28,408 visits; down 9% from December '07.

OPERATIONS MANAGER'S REPORT

SPECIAL EVENTS / MEMBER-EMPLOYEE / COMMUNITY RELATIONS

- Correspondence was received praising the success of LMVA's Junior Lifeguard Program in relation to course training provided to two participants who, in turn, utilized what they learned in rescuing their younger brother who had fallen from a cliff to a creek bottom 20 feet below.
- Thanks to the LMV Yacht Club for leading this year's Parade of Lights.
- Spectrum Sports Management submitted a special event request for the Trek Women's Triathlon Series to be held at LMV on Sunday, 6/7. Proposal is enclosed in BOD packets. In response to this topic, questions were asked by Board members as to whether the City had already been approached for approvals, as well as revenue potential of such event relative to those realized from the OC International Triathlon which was staged in 2008. Since start up of this triathlon is contingent upon City of Mission Viejo approval, the Board directed Staff to contact Spectrum Sports to learn if the City has been contacted before spending additional time on this matter.
- As follow up to concerns expressed at BOD Meeting regarding alleged 15' rule violations, and in addition to the signed acknowledgement statement already required at time of boat rental, flyers are being distributed at the Dock Shop (and Launch Ramp), a reminder with link to specific rule/regulation has been placed on front page of LMVA web site, and a reminder is now also on the marquee at gate entrance. Additionally, matter has been reviewed with the Lifeguard Department to ensure that patrols are constant, and that periodic "undercover" lifeguard patrols from fishing boats are also conducted.

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

- December lifeguard statistics included on page 1 in your packet.
- Since the last BOD Meeting, 14 members have been suspended for remainder of day for violating the 15 foot rule.
- OC Environmental Health Hazardous Waste Specialist was on site 12/10 to conduct an underground storage tank inspection.
- Backflow prevention testing was conducted 11/19, and repairs were completed on 11/30 by La Cresta. The backflow testing of all 14 of LMV's water meters is required annually under Title 17 of the California Administrative Code and the Rules & Regulations of the Santa Margarita Water District.
- American Tank Testing conducted the SB 989 secondary containment test on the underground storage tank, annual maintenance of the electrical monitoring system and designated operator services on 1/5.
- Met with AQMD Engineering and Compliance Officer on 12/23 to discuss/review Rule 461, Phase II Enhanced Vapor Recovery System updates for the underground storage tank. Application for permit to construct and operate underground storage tank was submitted. Topic to be discussed further under new business.

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

Lake Elevation 700.50 feet above sea level
 Surface Water Temperature 56-57 degrees
 Secchi Visibility 42 feet

Jan-Nov Dec 2008 Total Jan '09

			(Jan-Dec)	
Purchased Water:	236.3 af	0.0 af	236.3 af	0.0 af
Actual Rainfall:	9.33"	4.12"	13.45"	0.16"
Average Rain:	13.65"	1.93"	15.58"	3.12"
Trout Stocking	January 14, 2009	(4,000 lbs)		Chaulk Mound
	January 29, 2009	(4,000 lbs)		Chaulk Mound

Quagga Mussel Update

To date, LMV’s thorough boat inspections, restrictive boat launch access procedures, and the 30 day quarantine tags have been instrumental in preventing exposure at LMV to invasive Quagga & Zebra Mussels. Additionally, surface survey protocols have been put in place to identify adult mussels. Artificial substrate monitoring protocols are also in place to identify free-floating microscopic larval mussels called veligers. To date, no adult mussels have been identified. LMV has entered into an agreement with Scripps Institute in San Diego to provide water sample testing. On 12/22, a California Fish & Game Officer conducted a Zebra & Quagga Mussel Veliger Sample Tow. This sample was driven to Scripps by the Fish & Game Officer, and the test results came back negative. The SIO Quagga Mussel Analysis report is included on page 4 in your packet.

MAINTENANCE / BOAT RENTALS / LANDSCAPE

- December, 2008 Boat Rental Statistics and Landscape updates are included on pages 2-3 in your packet.
- Dock repairs that were pending, were completed by the Dock Company. 8 workdays were scheduled for tightening of steel rods, as well as replacement of cement and plywood sections at NB rental dock, East Beach and the Market Dock.

OLD BUSINESS

2008 Operating Income Surplus Allocation

Howard Sandler stated that 2008 surplus income totaled \$712,283. Final allocation of surplus was \$425,000 to Long Term Replacement (Reserve), \$205,155 to Contingency Reserve, and \$82,128 to Capital Expansion. Long Term Reserve is now 93.6% funded, up from just 68.0% funding two years ago, and there is currently \$1,623,621 in the Capital Expansion Fund.

Truck Replacement/Purchase

Chris Graham stated that LMVA took delivery of new Ford-350 pickup truck on 12/18. Purchase of a Chevy 2500 was approved at 12/9 BOD Meeting; however, by morning of 12/10, was advised by dealer that the truck had been sold on 12/9. Ford purchase actually ended up being \$585 less than approved price for Chevy.

NEW BUSINESS

Sand Pro Tractor Replacement/Purchase

Chris Graham stated that a Sand Pro Beach Groomer is a small three wheel vehicle used to groom and fill holes by Maintenance personnel on LMVA beaches. The existing East Beach unit was put into service in 2004 with an expected useful life of six years. This unit has provided us with 5 years but is now dated in terms of safety and efficiency. New units have hydraulics for the front rake and steering, making beach grooming for the operator considerably less strenuous and physically safer. Purchase and placement of a new unit for North Beach would allow us to relocate the two year old Sand Pro that is currently in use there over to East Beach. By doing so, East Beach which has less need for grooming activity would then have a safer and more reliable Sand Pro that would likely function for up to four more years. As such, I am requesting approval to purchase one Toro Sand Pro 5040 for a cost of \$17,362.54 from Turf Star Inc with funds coming from Reserve Account #2046. \$18,710 is currently in reserve for this purchase. Fred Mellenbruch made a motion to approve the purchase as requested. Second, Jane Chadburn. Vote carried: 4-0-0.

AQMD Enhanced Vapor System

Chris Graham stated that in the Board packets is an LMV underground storage tank history report, LMV reserve component detail, cost analysis to remove & replace underground storage tank with above ground tank, Underground Storage Tank – Phase II Enhanced Vapor Recovery System purchase summary, AQMD EVR Timeline Report, Frequently Asked AQMD Phase II Enhanced Vapor Recovery Questions, requirements for gasoline storage and dispensing facilities, and Rule 461 – Gasoline Transfer & Dispensing. In order for LMV to continue dispensing gasoline for vehicles and boats on site, required AQMD Underground Storage Tank Phase II upgrades outlined in Rule 461 are to be in place by April 1, 2009. As such, I am requesting approval to purchase/install one Vacuum Assist Healy system to meet the requirements of AQMD Rule 461, Phase II - Enhanced Vapor Recovery System. Recommendation is that this system be purchased and installed by Tank Specialists of California at a cost not to exceed \$23,686.30 with funds coming from Capital Expansion Account #2045. Fred Mellenbruch made a motion to approve the project as requested. Second, Sid Wittenberg. Vote carried: 4-0-0.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:18 PM.

Attest: _____, Secretary