

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
November 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, Secretary
Sid Wittenberg, Vice President
Alan Viridinis, Treasurer

Staff Members Present:

Kevin Frabotta, General Manager
Norma Risher Billing Clerk

Others Present: M. Ziegler, K. Kriz, J. Sobczak , A. Kotnik, J. Sperber, M. Terusa, W. Halagarda, R. Simenz, T. Hoadwonic, A. Cook, A. Waugh, , K Abele, W Broadhag, M. Bender, V. Savage, L. Savage, P. Tietz, M. Willkie K. Kriz, E. Rodriguez, G. Millikan, R. Heimann, N. Schmidt, S Dalinger, B. Thom and S. Byron.

Minutes: Motion duly made by Fred Mellenbruch and seconded by Alan Viridinis to approve the minutes of the August 2009 Board Meeting. Vote carried: 4-0-0. Jane Chadburn was not in attendance.

Members Forum: Scott Dallinger presented proposal for a Big Fish Tournament charity event at the lake on opening day of fishing season (passed out literature to board) with money going toward victims of typhoons in the Philippines. He, along with a few other young men his age, are involved in a group called Soldiers for Christ/Kingdom Assignment, and are looking to make a difference in the lives of others. The event would be held on November 21 & 22. They would like to sell tickets to anglers for prizes, i.e. biggest trout caught, etc. Donated prizes include fishing equipment from Shimano, and clothing and/or tackle grab bag from Aftco. Diane Lincoln stated that the board will take it under advisement and will have a decision by end of week.

Delegates Forum: Morrie Wilkie commented on activities of LMV Yacht Club stating things are starting to wind down now. He reported a very successful year. They will be hosting the Christmas Parade of Lights scheduled for Saturday, 12/5/09. They have secured 2 boats plus schooner, which they will build. Yacht Club party will be held here in upstairs meeting room of administration building. Had annual meeting on Sunday and officers are in place for next year. Thanked board for all their help this past year.

Special Presentations: None

Director's Report: None

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

Revenue of	\$5,399,419	2
Gross Income of	5,334,517	3
Operating expenses of	4,828,311	5
Capital Expenditures	449	5
Net Income	505,757	5
Budgeted Net Income	(72,700)	5
Total Investments	7,192,046	1
Total Operating cash on hand	148,108	1
Interest Income	144,251	2

Ten months into the year, our budget is working as designed. There are no expense trends indicating any problems.

Committee Report: None

Manager's Reports

GENERAL MANAGER'S REPORT

Financial / General

- October financials were strong with a net income of \$505,757 year to date. A few highlights for the month:
- Part time payroll was down 13% resulting from a concerted effort to eliminate duplicate staffing.
- Water / Lake Refill was down \$15,235 due to no water purchases for the month. We are down \$45,549 for the year in this category, so we have the budget if the dry weather continues, to purchase water before year end.
- Irrigation water purchases were up for the month, and we are investigating with our landscape company and the SMWD. The month was quite dry and warm, however the increase seemed excessive.

HR / Labor

- I am pleased to announce the selection of Bryant Watilo as our new Operations Manager. Byrant has been with us since April operating in a temporary capacity in the position.
- Our annual Employee Holiday Party is scheduled for Wednesday, December 9, at Dave and Busters in the Irvine Spectrum.

Special Events / Community Relations:

- Our Halloween event was held on October 24th and was a great success. We estimate our attendance at over 700 people and the largest crowd we have seen for Halloween. I would like to thank our Maintenance Team for the great set up and tear down, Jane Chadburn for her creative direction, and Fred Mellenbruch for his amazing portrayal of the Phantom of the Opera.

- I will be attending a meeting with the City of Mission Viejo this Friday, regarding partnering with them to present the South Coast Symphony here at the Lake on July 4th, 2010.

Operations / Maintenance

- Our new fish cleaning station has been installed and the room is freshly painted and ready for the opening of Trout Season on Saturday, November 21.
- All four new stainless steel beach showers have been installed. All have auto shut off valves to help conserve water.

Member Issues

- We received numerous phone calls, and walk in complaints / inquiries this past week regarding the sulfur (hydrogen sulfide) smell in the area. The smell has been attributed to the Oso Reservoir, not Lake Mission Viejo. Our staff biologist, Tom Buckowski, has done a nice job answering members' questions and providing information.

Lake Biology

- Both of sources for fish stocking have provided certification that their facilities are free of the Quagga and Zebra mussels. Our first stocking of 10,000 pounds of trout will occur on November 17 or 18 from Mt. Lassen Trout Farms.
- The Lake will be closed for fishing from that point until Saturday November 21st, when the Trout season officially opens.

Lifeguards / Safety:

- Normal activity

ADMINISTRATIVE MANAGER'S REPORT

Report given by Kevin Frabotta in Dave Kerr's absence

BILLING/MEMBERSHIP DEPARTMENT

- As of 11/01/09 staff has deposited \$2,550,608 in membership assessments since 6/01/09. Most payments represent the current period 7/01/09-12/31/09 assessment.
- As of 11/1/09, 291 files are at the attorney's office for collection; compared to 232 at the same time last year, a 26% increase. These accounts are all in arrears for multiple assessment periods. New certified collection letters have been mailed to each account during the last week of October.
- In addition to the accounts above, we have 825 accounts past due for the current period; compared to 609 last year, a 35% increase. Ninety-day certified letters are being prepared for mailing to these accounts. Diane Lincoln commented that the comparison numbers were very helpful.
- Fourth-quarter boat bills were mailed to members during October. Space rentals are down slightly to 246 boats stored on property. There are available 11/01.
- Membership counselors processed four new voluntary memberships during the month of October; compared to zero last year at this time.
- New On-line bill payment electronic delivery program will be ready for deployment shortly.

ACCOUNTING DEPARTMENT

- CD and money market rates have remained stable during the last month. We purchased three CD's for one (1) year duration @ 1.3% average.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.

FINANCIAL (Revenue · Cost · Reserve · Audit)

- Financial letters for 10/31 are in your packets.
- A letter of engagement for the 2009 audit and preparation of tax returns is in your packet. Mr. Keyhan proposes to provide both services for a fee of \$8,350 (same as in past years).

MEMBER / COMMUNITY RELATIONS

- Production work on the 12/01 issue of the *Noticia* has been completed and will be mailed to the members on or about Thanksgiving holiday period to make sure members know about our 12/05 LMV holiday celebration.
- Clubhouse bookings for 2009 are up to 45 events, with 20 being wedding and/or receptions. Delegate, Art Cook, asked about how these figures compared to last year? Kevin Frabotta did not have that information available, but was able to confirm that activity is up at least 20%. Sid Wittenberg commented that we used to report usage this year versus last year. The Board requested that a comparison of last year to present year (statistics & dollars) figures be presented in future reports for comparison.
- The LMVYC Top Skipper's Regatta was held on 10/18 with 12 skippers vying for bragging rights for 2009. Veteran LMVA delegate Host Weiler battled his way to victory over some stiff competition.
- Parking lot garage sale for used motors and kayaks is set for Saturday, 12/12. Members will have the opportunity to purchase used electric motors and kayaks in time for the holiday season. Also, will use this opportunity to see what other assets we may have on premise that may be useable.
- The Fishing Club's first meeting and tournament is set for the first week of December. Meeting will be held on Wednesday, 12/02, and Trout Tournament on Saturday, 12/0. Shimano has once again come through with a generous donation of equipment for LMV anglers to win in the derbies.

BIOLOGY / LAKE INFORMATION

- Current lake information:
 - Elevation 700.20 (ft, asl)
 - Surface water temperature 67-71 (F)
 - Secchi visibility 41 (ft)

WEBSITE

- Website statistics for 10/09 show 32,246 visits to the website; up 33% from 10/08.

OLD BUSINESS:

None

NEW BUSINESS

- We have received the engagement letter from Keyhan Hewitt Accounting firm for 2009 audit and tax return preparation with proposed fee same as last year. Fred Mellenbruch made the motion to approve as present contingent upon review/verification of cost effectiveness by management. Motioned by Fred Mellenbruch and seconded by Alan Virdinis. Sid Wittenberg commented that it is important to confirm whether it will be exactly the same, or any changes. Alan Virdinis/Art Cook mentioned that it may be prudent to put service out for bid because of economic environment at this time. Vote carried 4-0-0.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 7:28 PM.

Attest: _____, Secretary