

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
October 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 Fred Mellenbruch at 7:04 PM. Mr. Mellenbruch stated that Board President Diane Lincoln would be participating by teleconference.

Board Members Present:

Diane Lincoln, President (via teleconference)
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, 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, K. Abele, G. Millikan, R. Heimann, N. Schmidt, Bill Leach and S. Byron.

Minutes: Motion duly made by Alan Virdinis and seconded by Jane Chadburn to approve the minutes of the August 2009 Board Meeting. Vote carried: 5-0-0.

Members Forum: None

Delegates Forum: Stu Byron from Palmia asked the Board to consider installing a shade cover over the playground equipment in the park as he has had complaints that the playground equipment was too hot for children to play on. Mr. Byron presented a photo of a cover playground area in a local park.

John Sobczak from California Terrace stated that he is an avid fisherman who participates in the trout tournaments each winter. Mr. Sobczak asked the Board and staff to consider limiting guests who members bring in to fish in the trout tournaments. He stated that the number of guests participating in the tournaments have been increasing over the past couple of years. The Board referred Mr. Sobczak to staff for assistance.

Special Presentations: Triathlon Recap

Bill Leach from the Orange County International Triathlon gave a brief summary of the race on September 27th. He stated that 750 athletes started the race and 740 finished with no major problems. He also stated that the organizers were pleased with the finish inside the facility. Bill thanked the Board and staff for their help and stated that he and his staff were looking forward to holding the event once again on September 26, 2010.

Delegates Forum (continued): Art Cook asked for a clarification of the past due assessment report in the administrative manager's report. Mr. Cook wanted a more detailed breakdown of the outstanding balances by assessment period. Administrative Manager Dave Kerr stated that outstanding receivables

were up 34% over the same period last year. Mr. Kerr also stated that he would provide a more detailed analysis in future reports.

Director’s Report: None

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

The Lake Mission Viejo Association financial statement through September 30, 2009 shows:

Actual revenue of	\$ 4,858,794	2
Gross Income of	4,795,884	3
Actual Operating Expenses of	4,410,751	5
Capital Expenditures	449	5
Net Income	384,684	5
Budgeted Net Income	(112,700)	5
Total Investments	7,435,303	1
Total Operating Cash on Hand	146,904	1
Interest Income	132,507	2

Board member Alan Viridnis asked Treasurer Sid Wittenberg if there was anything in the 2010 budget that “caught his eye”. Mr. Wittenberg replied that he noted that Full Time Payroll was down and Part Time Payroll line item had increased. He also mentioned the increase in the cost of water for 2010.

Committee Report: None

Manager’s Reports

GENERAL MANAGER’S REPORT

Financial / General

- 2010 budgets have been completed, pending approval at this meeting. The budget incorporates, among many other issues, fully funding of the Reserve account to 102%, and the 18% increase in water rates, while keeping our current assessment rate.
- We are In process of gathering information for Insurance proposals for 2010, to include general liability, property, auto, workers compensation. Meeting scheduled with Traveler’s Insurance representative on Tuesday, October 20th, to walk the property, buildings, review selected documents (i.e. rental boat agreement)
- A meeting was held with Coastal Watch, a security camera company providing service to beaches and waterways on Thursday October 9th. They demonstrated their security cameras,

capabilities and possible applications here at the Lake. This is the very beginnings of our 'education' on this issue.

HR / Labor

- The Operations Manager position has been posted and the deadline for applications completed October 8th. We will be conducting interviews in the next few weeks, with a decision by the end of October.

Special Events / Community Relations:

- Triathlon was held on Sunday, September 27th and was very successful. The race started with the one mile swim in our lake, and after a 25 mile bike race, finished with the 10k run back into the property near the clubhouse. Operationally, the event was nearly flawless and both lake personnel and event personnel worked very closely together. There were nearly 800 participants from all over the United States. The feedback from members and the community has been very positive.
- September was a very busy month, with the Mitchell Musso / Family Fun Day and the Taste of the Lake / Jazz fest / Paint the Lake event. All were very successful, and the winning painting of the Paint the Lake contest will be dropped off this week.

Operations / Maintenance

- Our Halloween event planning is in full swing. The Maintenance team has done a great job generating very creative props and several of our staff will be in full costume on October 24th to compliment the event.
- There is a bid for the rebuilding of our fish cleaning station in your packets with several options, from replacing the grinder only to replacing the grinder and cabinet with stainless steel and adding auto shut off valves.

Lake Biology

- Biologist Tom Buckowski will be attending the CALMS (California Lake Management Society) meeting at this week. The agenda will include an update on the Zebra-Quagga Mussel issue.
- Fish stocking update: We have received verbal notice from Mt. Lassen that they have passed testing for the quagga mussel. They will be providing us with the documentation. Chaulk Mound Trout Farms in Nebraska will be conducting their testing within the next ten days through a representative from the Nebraska Fish and Game and will forward us their results.
- The coots have migrated back to the lake, and we are keeping a close watch on their population. Estimates are by December, we could see several thousand of them. We are applying for a depredation permit from the USFWS to allow us to remove groups of them from the lake as necessary. We will continue to monitor, insuring we address the ecological and nuisance factors.

Lifeguards / Safety:

- Two members of our Lifeguard team will be attending the CSLSA (California Surf Life Saving Association) meeting in San Diego on October 15th.

ADMINISTRATIVE MANAGER'S REPORT

BILLING/MEMBERSHIP DEPARTMENT

- As of 10/01/09 staff has deposited \$2,503,851 in membership assessments for current period 07/01-12/31/09 assessment.
- As of 10/01/09, 350 files are at the collections attorney's office, with 130 accounts delinquent for the 7/01-12/31/08 assessment period and 220 owing for multiple periods.
- Membership counselors processed 3 new voluntary memberships during the month of September.
- 1648 proxies returned prior to the Delegate elections with quorums in 3 districts.
- Online bill payment electronic delivery program ready for deployment.

ACCOUNTING DEPARTMENT

- CD and money market rates have remained stable during the last month. We purchased 3 CD's for one (1) year, @ 1.3% each.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.

FINANCIAL (Revenue · Cost · Reserve · Audit)

- Financial reports for 9/30 are in your packets.

MEMBER / COMMUNITY RELATIONS

- Production work on the 11/01 issue of the Noticia has been completed and will be mailed to the members prior to the 11/01 deadline for publication of the 2010 budget.
- Clubhouse bookings for 2009 up to at 42 events with 19 being weddings and or receptions. Inquiries regarding holiday season event bookings are picking up as the clubhouse continues to be popular with the membership.
- The LMVYC October Fest Regatta was held on 9/20 with a good turnout. The sailing was followed by the annual October Fest celebration in the park.

BIOLOGY / LAKE INFORMATION

Subject: Current Lake Information

Lake Elevation 700.30 (ft, asl)
Surface Water Temp. 78 – 80 (F)
Secchi Visibility 28 (ft.)

MAINTENANCE/BOAT RENTALS / LANDSCAPE

- Rental Fleet being updated for the start of trout fishing season with new motors, batteries and refurbishment to all aluminum boats.
- New Party boats purchased in August are operating in the fleet and working out very well.
- Sale of used motors, kayaks and two or three party boats being scheduled for December just in time for the holidays.

WEBSITE

- Website statistics for 9/09 show 35,889 visits to the website; up 36% from 09/08. This is attributed to Special Events during 9/09, including Mitchell Musso Show, Taste Of the Lake and the Triathlon.

OLD BUSINESS: None

NEW BUSINESS

Approval of the 2010 Operating Budget: General Manager Kevin Frabotta presented the 2010 LMVA Operating Budget to the Board of Directors for approval. Treasurer Sid Wittenberg made a motion for approval of the 2010 Budget as presented, Second, Alan Virdinis. Vote carried 5-0-0.

Fish Cleaning Station Refurbishment: General Manager Kevin Frabotta presented two options for refurbishment of the fish cleaning station. Option 1 allowed for replacement of the grinder blades in the disposal apparatus for a cost of \$6,230.00. Option 2 involved replacement of the grinder blades along with a complete rebuild of the cabinet (in stainless steel), new cutting boards and automatic water shutoff valves for a cost of \$22,500. Mr. Frabotta stated that staff's recommendation was to go with option 2 as the condition of the cabinet was such that replacement would be needed in the near future. The project would be funded by \$5,500 from reserve account 2045 with the balance (\$17,000) to come from contingency account 2047.

Jane Chadburn made a motion to approve option 2 as presented with the total expenditure not to exceed \$22,500, Second, Alan Virdinis. Vote carried 5-0-0.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 7:48 PM.

Attest: _____, Secretary