

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
February 9, 2010**

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 7:06 PM.

Board Members Present:

Diane Lincoln, President
Fred Mellenbruch, Vice President
Sid Wittenberg, Vice President
Alan Virdinis, Treasurer

Staff Members Present:

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

Others Present: K. Kriz, A. Kotnik, J. Sperber R. Simenz, T. Hoadwonic, A. Cook, A. Waugh, M. Bender, P. Tietz, R. Heimann, D. Roohk, B. Leach, B. Hunt. W. Broadhag, F. Fournier, Col. Bruener, and S. Byron.

Minutes: Motion duly made by Fred Mellenbruch and seconded by Sid Wittenberg to approve the minutes of the January 2010 Board Meeting. Jane Chadburn was absent from the meeting.

Members Forum: None

Delegates Forum: None

Special Presentations:

LMVA engineering consultant Dave Roohk gave a brief presentation of the state of the lake eco-system, explained the tasks he works on with Lake Biologist Tom Buckowski throughout the year. Mr. Roohk briefly outlined a new concept to engage an independent consultant to analyze data regarding oxygen levels within the lake. Mr. Roohk took several questions from the BOD regarding the state of the LMV eco-system. Mr. Roohk presented his 2010 contract to the BOD for action. Board President Diane Lincoln asked staff to review the HDR Engineering contract and stated that action on the contract would be tabled until the 3/10 meeting.

LMVA member Bruce Hunt, chairman of the Mission Viejo Marine Adoption Committee for the Camp Pendleton Headquarters Division requested the permission to hold the 3rd Annual Marine Appreciation Day on Saturday, April 24th. Mr. Hunt introduced Col. Gruen and Sergeant Major St. Torrini representing Headquarters Division. They thanked the BOD for the opportunity to hold the event at LMVA and stated that they expected up to 700 marines and their families to attend this year. Board Member Sid Wittenberg thanked the marines for allowing LMVA to host the event.

Director's Report: None

Committee Report: None

Treasurer's Report: The financial statements for month ending January 31, 2010 were distributed. The financial information discussed was contained in the statements. Alan Virdinis reported:

Actual revenue of	\$ 498,082	2
Gross Income of	495,492	3
Actual Operating Expenses of	386,933	5
Capital Expenditures	0	5
Net Income	108,559	5
Budgeted Net Income	(17,048)	5
Total Investments	8,207,033	1
Total Operating Cash on Hand	210,174	1
Interest Income	9,097	2

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

Manager's Reports:

GENERAL MANAGER'S REPORT

Financial / General:

- January financials are included in your packets. The month finished with a net surplus of \$108,559, however much of this will even out over the first quarter. A few highlights:
 - Payroll was well controlled, with part time payroll under budget by 4%.
 - Overtime dropped by 70%.
 - Legal Fees were over budget by \$3,827; however 'Revenue Other' increased by \$5,294. This reflects the increased activity from our Attorney regarding delinquent accounts, balanced by the additional fees collected.
 - Retail merchandise sales were up by 7%, while cost of sales were down 25%.
- The Breezeway / Concourse Project is proceeding very nicely and on schedule and budget. A comprehensive update is included in your packets.

HR / Labor:

- Dave Kerr and I attended the CACM Law seminar in Costa Mesa on January 22nd. This is the first leg for me in obtaining my CACM Certification.
- Applications are being accepted for part time Aquascaper, part time Sales and Events Associate, and Part time 30 Lifeguard positions.

Lifeguards:

- Our Lifeguard department will be holding disaster preparedness training for all Lake employees on February 18th and 20th. This is our annual training and will include actual drills.
- Seasonal Lifeguard tryouts will be held Sunday March 14th and Saturday March 27th. The tryouts will consist of a 500 meter swim, which must be completed in less than 10 minutes to qualify, followed by interviews with our Lifeguard Team. (Flyer in your packets)
- Junior Lifeguard tryouts will be held March 14th, 18th and 28th. Qualifications vary by age group, with all swimmers required to be timed in a 100 yard swim and treading water from 5 to 10 minutes. (Flyer in your packets)
- In conjunction with the Biology Department, the Lifeguards have been replacing the buoys that identify our Lake Aeration System. This requires a nearly 70 foot dive and must be in teams. Once completed, the Aeration System will be identified by a straight line of buoys directly above the pipe, allowing boaters to more easily identify where not to anchor.
- We have increased awareness of our lifeguard patrols near the Finisterra and Mallorca docks/bulkheads after Member comments regarding possible non members fishing in these areas.
- Our Lifeguard Team will be hosting the Orange County Lifeguard “lift bag” scuba training on February 25 from 10am to 2pm. This will include 8 to 10 agencies, represented by 20 to 30 lifeguards.

Lake Biology:

- Our next trout stocking will be Tuesday February 9th from Mt. Lassen Trout Farms in Northern California.
- Weather station is fully operating and populating to our website consistently and accurately.
- With the continued rains, we have taken the opportunity to shut down our well for cleaning and maintenance. The work will include disinfecting the pump and pipes, cleaning and painting rusted pipes, and altering the slope of the concrete floor to improve floor drainage.
- Our partnership project with the Finisterra Association to clean up the west side of the Dam slopes is nearing completion. Dead brush and overgrowth have been removed and access to the dam slope is greatly improved.

ADMINISTRATIVE MANAGER'S REPORT

BILLING/MEMBERSHIP DEPARTMENT

- As of 02/01/10 staff has deposited \$2,125,496 in membership assessments, since 12/01/09.
- As of 02/01/10, 598 files are at the collections attorney's office. 257 accounts are all in arrears for assessment periods prior to and including the 2009 assessment year. 341 additional accounts are delinquent for 2009 assessments only.
- Membership counselors processed 2 new voluntary memberships during the month of January.
- Online bill payment electronic delivery program continues to be an effective tool. We have deposited over \$78,000 in our new account from one clearinghouse since we opened the account at Citibank.

ACCOUNTING DEPARTMENT

- CD and money market yields continue to be very low. We invested \$1,000,000 on February 1st at rates from .10% for 60 days up to 1.70% for 2 years. We have 61 investments totaling \$7,014,317 currently in our portfolio. With money market rates at virtually zero and payments for the construction project in the near future, we have purchased 7 90-day CD's to have more cash available on a monthly basis, yet avoid the non-existent yield in the money market funds.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.

FINANCIAL (Revenue • Cost • Reserve • Audit)

- Ardavan Keyhan will be starting the 2009 audit during February.

MEMBER / COMMUNITY RELATIONS

- March/April Noticia completed and heading for the printer with a nice lead article about the Breezeway/Concourse project accompanied by a picture of the rendering. Work on the Spring Discovery with the summer class preview near completion. This issue will be mailed with the Noticia to achieve postage savings.
- Clubhouse bookings for 2010 are off to a great start with 20 events booked of which 15 are large scale events
- Fishing Club January tournament successful with 30 participants. The adult division had lots of anglers while the turnout for teen and kids divisions was much lower. February tournament scheduled for Sat. 2/13.

BIOLOGY / LAKE INFORMATION

Subject: Current Lake Information

Lake Elevation 700.65 (ft, asl)

Surface Water Temp. 57 (F)

Secchi Visibility 36 (ft.)

WEBSITE

- Website statistics for 1/10 show 30,646 visits to the website; down 6% from 1/09.

OPERATIONS MANAGER'S REPORT

Special Events / Member-Employee / Community Relations

- Thank you letters along with 1st time participation plaques and repeat participant plates were mailed out to all members who took part in our 2009 Parade of Lights. We had 5 new participants and 20 returning members this year.
- It is with great sadness that I report the passing away of Paul Shepard on January 26, 2010. Paul was a valued member of the LMVA family who was beloved by not only his co-workers, but by the many members he came into contact with here at the lake.

Major Projects / Initiatives

- We have finished the design phase of our North Beach Snack Bar Stainless Steel Countertop / Cabinet refurbishment project and have sent the design and specs out to bid. At this time we have received 1 proposal for the work and are waiting one other bid before presenting the project to the BOD for consideration.
- We are in the process of obtaining various samples of beach sand for our North and East Beach replenishment project. We anticipate importing approx 3,000 tons of new sand prior to the summer season.
- Repairs have been completed on the light poles on the access road at the corner of Alicia and Marguerite. The poles and bases were badly rusted and required new bases and replacement of all bolts.
- The broken glass in the Lifeguard Headquarters front window has been replaced.

Old Business: Orange County International Triathlon Date Change.

Due to a scheduling conflict with a National Championship race, Bill Leach from the Orange County International Triathlon addressed the BOD requesting to change the date of the 2010 race from, Sunday September 26 to Sunday October 10th. Administrative Manager Dave Kerr stated that moving the event two weeks later into the fall season is actually beneficial to the LMVA events schedule. Sid Wittenberg made a motion to approve the change of dates for this year's Triathlon from September 26 to October 10, 2010. Second, Fred Mellenbruch. Vote Carried 4-0-0.

New Business: Ratification of Action without a meeting.

General Manager Kevin Frabotta requested that the BOD ratify the Action without a meeting from January 21, 2010 as stated in the emails received on 1/21/10. "Per our unanimous affirmative vote by email from all Board Members, we have agreed to allocate \$51,457 (not to exceed) to the ADA ramp extension at the back of the bowl Funds will come from Capital Expansion account 2045. Motion made by Sid Wittenberg, Second, Fred Mellenbruch. Vote Carried 4-0-0

Repair of the Upper East Beach Trellis Structures.

Operations Manager Bryant Watilo stated that 2 bids were received for the replacement of the wood on the Upper East Beach Park Trellis Structures. Mr. Watilo recommended awarding the contract to Davis Development with painting for the project to be handled in house for a cost not to exceed \$21,806, with funds coming from Reserve Account #2046. (\$63,450.00 is available in the Reserve account for this purchase.) Alan Viridinis made a motion to approve the proposed expense and award the contract to Davis Development. 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 7:46 PM.

Attest: _____, Secretary