

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
June, 08, 2010**

MEETING: Upon notice duly given and received, this meeting of the Lake Mission Viejo Association Board of Directors was held at the Lake Administration Building. The meeting was called to order by Diane Lincoln at 7:02 PM.

Board Members Present:

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

Staff Members Present:

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

Others Present: J. Sperber, B. Ernisse, M. Ernisse, K. Abele, W. Broadhag, R. Simenz, A. Waugh, M. Terusa, N. Schmidt, G. Millikan, A Cook, D. Roohk, T. Buckowski, and S. Byron.

Minutes: Motion duly made by Fred Mellenbruch and seconded by Jane Chadburn to approve the minutes of the May 2010 Board Meeting. Vote Carried 5-0-0.

Members Forum: Member Bill Ernisse addressed the Board and thanked them and staff for the attention to the landscape at East Beach. Mr Ernisse stated that he was pleased with the quick response from the Board and staff in regard to trimming and cleanup of the landscaped area at East Beach.

Delegates Forum: Delegate Rod Simenz reported that 9-10 members of the LMVYC have commented to him that the staff working at the launch ramp has been extremely courteous and very helpful. Mr. Simenz specifically mentioned staff members Scott Kroutel, Brian Ahlers and Daniel Bodine.

Delegate Nancy Schmidt reported that Mallorca residents are “thrilled to death” about this year’s concert season.

Director’s Report: Board Member Alan Viridinis stated that the buildings look wonderful with the new coat of paint recently applied.

Special Presentations: Limnology Report on the State of LMV Waters

General Manager Kevin Frabotta introduced Aquatic Engineering Consultant Dave Roohk who gave a presentation to the Board regarding the health of LMV in regard aging of the lake and the volume of anaerobic water (water without oxygen) on the bottom of the lake. Mr. Roohk presented three graphs to the Board measuring the state of LMV over the 35 year life of the lake and provided a history of LMV including discussion of the aeration system that was installed in 1985. Mr. Roohk explained thermal stratification which causes the anaerobic water at the bottom of the lake during the spring and summer of each year. The data on the graphs displayed an increasing volume on anaerobic water in the lake as it ages over time. Mr. Roohk recommended consulting with specialist Dr. Alex Horne an academic expert

in limnology from UC Berkley to study the trends evident in the data and assist the Board and staff to take action to prolong the healthy life of the water in the lake. Alan Virdinis asked why we needed to hire another consultant when we have an engineering firm now. Mr. Roohk stated that this consultant gives us a different perspective regarding the limnological state of the lake. A general discussion took place regarding the benefits of hiring an academic consultant and purchasing an oxygen probe to gather the data. Mr. Roohk discussed the benefits and drawbacks from running the aeration system and how we can learn how to better manage this program.

Treasurer’s Report:

The Lake Mission Viejo Association financial statement through May 31, 2010 shows:

Actual revenue of	\$ 2,698,628	2
Gross Income of	2,672,497	3
Actual Operating Expenses of	2,166,987	5
Capital Expenditures	0	5
Net Income	505,510	5
Budgeted Net Income	81,194	5
Total Investments	6,963,433	1
Total Operating Cash on Hand	200,525	1
Interest Income	40,506	2

Manager’s Reports:

GENERAL MANAGER’S REPORT

FINANCIAL / GENERAL:

May financials are included in your packets. A few highlights:

- Operating Revenue for May was up by 5% / \$26,254.
- The additional revenue is due in part to an increase in ‘Revenue Other’ up 35%, with revenues of \$12,097 over budget from increased collection of legal fees on overdue assessments.
- Boat Rentals were up 27%, and Passes and Permits were up 37%.
- Recreation Revenue is up \$13,700 to budget, due to the timing of our Jr. Lifeguard program revenues. (There is a corresponding increase in the monthly Recreation Cost of Sales)
- Operating Expenses for May were under budget by 15%. Highlights include:
 - Payroll was well controlled and under budget by 2.5%.

- Water Lake refill was over budget by \$21,165, but under for the year to date by \$69,705. May is the first month we have ordered water this year.
- Concerts expense was under for the month, due to our earlier payment of deposits.
- Overall, the five month YTD results show no surprises and the budget is working efficiently.

HR / LABOR:

- The Payroll and Quit Reports are included in your packets. No major trends to report.
- Application flow for summer positions continues to remain strong and we have hired 1 park attendant and 1 Dock Attendant. In addition, we promoted one Park Attendant to a Maintenance Tech I position.

LIFEGUARDS:

- The Lifeguard statistics for May are included in your packets. There were no rescues or major issues; most stats involved rules enforcement, boat tows and pass checks.
- Lifeguard staffing and training is now complete for new hires and returning guards.
- We held CPR Instructor re-certification with 8 of our Lifeguard/Instructors successfully recertified.

LAKE BIOLOGY:

- We received our first order of the year of Lake fill water in May, with 38.1 acre feet of water delivered. This prepares us for the SMWD maintenance shutdown with no water delivery for an 8 day period ending June 17th.
- The bass catch-and-release season ended June 1st resulting in another successful bass spawn, with schools of small bass frequently seen near weeds and docks. A few trout are still being caught at the south end of the Lake at depths between 30-40 feet.

ADMINISTRATIVE MANAGER'S REPORT

BILLING/MEMBERSHIP DEPARTMENT

- As of 06/01/10 the 7/01 assessment has been charged to all accounts and delivery of the assessment bills will take place within the first week of June.
- Approximately 350 accounts remain delinquent for the current period only and have been sent to the attorney's office for further collection efforts. Legal charges and interest were charged to these delinquent accounts
- As of 06/01/10, 410 files are at the collections attorney's office. Each of these accounts is in arrears for multiple assessment periods. Membership counselors processed 4 new voluntary memberships during the month of May.
- Staff is gearing up for a busy summer season to handle the usual influx of assessment payments and the typical increase in member traffic. We do offer several electronic means of paying assessments including by credit card, automatic debit and electronic batch deposit for those payments made via online banking.

ACCOUNTING DEPARTMENT

- CD and money market yields continue to be very low. We reinvested \$400,000 on 5/31 at .10% for 90 days. We have 56 investments totaling \$6,799,000 currently in our portfolio.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.

MEMBER / COMMUNITY RELATIONS

- June 2010 Noticia is complete and has been mailed to the membership prior to 6/01 with the 2010 concert schedule on the front page.
- Production on the July Noticia is underway with summer events being the main focus.
- Clubhouse events have been very popular this spring and early summer with bookings 7 weeks in a row including several “back to back” weekends with events on both Saturday and Sunday.
- Clubhouse bookings through 5/31 are up to 35 events for 2010 calendar. 62 events total held during 2009.
- Symphony attendance was around 1000 on a beautiful Sunday afternoon. The music was great and the event was enjoyed by all.
- Memorial Day weekend was the true start of summer 2010. Large crowds each day and especially Monday the actual holiday. Allowing guests in all day filled the parking lots, picnic tables and completely booked the party boats. Everyone had a great time.

BIOLOGY / LAKE INFORMATION

Subject:	Current Lake Information
Lake Elevation	700.85 (ft, asl)
Surface Water Temp.	74 (F)
Secchi Visibility	35 (ft.)

WEBSITE

- Website statistics for 5/10 will be available at the meeting.

OPERATIONS MANAGER REPORT

Boat Rentals

- Our 2 new Party Boats have rolled off the assembly line and will be delivered to our facility on or around June 15th. The shipping date was pushed back in order to share a tractor trailer load with another West Coast dealer which cut our shipping cost by 50%. It will take 2 weeks to mount the new electric motors and adapt the boats to LMV specs and we will then put them into use as part of our fleet.

Major Projects / Initiatives

- The exterior painting project has been progressing as planned. As of June 8th our East Beach Facility is complete and the following buildings at our North Beach facility have been completed; Maintenance, Clubhouse, Snack Bar, and Lifeguard Headquarters. The feedback we have been receiving from our members has been very positive.
- Our “new and improved” Snack Bar has opened up on weekends only starting on May 23nd and the reaction of our members has been nothing short of astonishing. Members that don’t even use the Snack Bar have been commenting how much more appealing it looks and how well it ties into the other improvements that we have made over the

winter. Our vender has also commented on a new found sense of pride that his staff has received with the improvements, which will only enhance the customer service level that our facility strives for.

- Our Landscape Contractor has completed our annual East Beach “native area” maintenance per our yearly schedule. This work entails the removal of non native weeds and grasses and the removal of dead material on all the trees except for the native oaks. Per our Landscape Contractor’s certified staff arborist’s recommendation the trimming of the dead material on the native oaks shall be deferred until this winter during the trees more dormant period.

Old Business: None

New Business:

Purchase of New Linnology Probes

General Manager Kevin Frabotta presented a proposal to purchase a probe for in house testing of blue-green algae levels in the lake. Motion was made by Jane Chadburn to purchase the probe as recommended for a cost of \$2,188.50 with expense to come from Contingency Account 2047. Second, Fred Mellenbruch. Vote Carried 5-0-0.

Linnology Consulting Contract

General Manager Kevin Frabotta presented a proposal to enter into a contract with limnologist, Dr. Alex Horne (as recommended by Engineering Consultant Dave Roohk and LMV Biologist Tom Buckowski) to provide consulting services regarding lake management strategies addressing eutrophication of lake. Motion was made by Fred Mellenbruch to approve an amount up to \$10,000 with expense to come from Contingency Account 2047. Second, Sid Wittenberg. Alan Virdinis asked if Dr. Horne had visited the facilities previously. Biologist Tom Buckowski stated that Dr. Horne had visited the lake during a conference several years ago. Vote Carried 5-0-0.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:00 PM.

Attest: _____, Secretary