

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
March 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 Clubhouse. 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
Jane Chadburn, Secretary

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, A. Cook, A. Waugh, M. Bender, P. Tietz, R. Heimann, W. Broadhag, F. Fournier, E. Rodriguez, P. Tietz, M. Ziegler, M. Terusa, G. Milikan, B. Thom, N. Schmidt, K. Abele and S. Byron.

Minutes: Motion duly made by Fred Mellenbruch and seconded by Sid Wittenberg to approve the minutes of the February 2010 Board Meeting. Mr. Mellenbruch stated that the minutes should be amended on page one (1) under Special Presentations to show that the Board President Diane Lincoln asked staff to review the HDR Engineering contract and action on the contract would be tabled until the 3/10 meeting. Vote Carried 4-0-1 (Jane Chadburn was absent from the meeting).

Members Forum: Member Bill Thom stated that he has rented a space for his boat in the trailer storage area for a number of years. During that time he has experienced several episodes of vandalism, the most recent being several weeks ago. Nothing was taken, however someone broke into his storage lockers which caused damage to the locks. Mr. Thom asked the Board if there were any plans to upgrade the security in the boat storage area with surveillance cameras. Diane Lincoln stated that staff is researching new security cameras at the present time and the BOD is very concerned about providing better security in the facilities. Jane Chadburn asked if staff had determined when the activity occurred. General Manager Kevin Frabotta stated that we had determined a specific time period when the vandalism occurred, we have reviewed access records and video tape which has helped with the investigation. Dianne Lincoln asked Mr. Thom if he had made a police report regarding the incident. Mr. Thom stated that he had not reported the activity to the police. Ms. Lincoln suggested that Mr. Thom should file a police report.

Delegates Forum: None

Special Presentations: None

Director's Report: None

Committee Report: None

Treasurer's Report: The financial statements for month ending February 28, 2010 were distributed. The financial information discussed was contained in the statements. Alan Virdinis reported:

Actual revenue of	\$ 1,001,160	2
Gross Income of	996,564	3
Actual Operating Expenses of	775,7345	
Capital Expenditures	0	5
Net Income	220,829	5
Budgeted Net Income	19,516	5
Total Investments	8,044,263	1
Total Operating Cash on Hand	164,645	1
Interest Income	16,326	2

Two months 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:

- February financials are included in your packets. A few highlights:
 - Operating Revenue was up by 1% for the month. The major components contributing to this were 'Revenue Other', up by \$6,806 over budget and 'Interest Income', down to budget by \$4,071.
 - Payroll was well controlled, with part time payroll under budget by 12%.
 - Overtime dropped by 38%.
 - Water Lake refill had zero expense due to the rains, banking \$19,000. This number is slightly higher than normal for February, as after last year's meeting with the SMWD, we accelerated potential purchases in the event of continuing drought conditions and possible rationing.
 - Overall, the two month YTD results show no surprises and the budget is working efficiently.

- The Breezeway / Concourse Project is proceeding very well and on schedule and budget. A more detailed update is included in your packets.

HR/ Labor:

- The Payroll and Quit Reports are included in your packets. No major trends to report.
- Open positions: Interviews are set for the Part Time 30 Lifeguard Position on March 10th. We are looking to fill the open Aquascaper position and a part time Clubhouse position this month.

Lifeguards:

- The Lifeguard statistics for February are included in your packets. There were no rescues or major issues; most stats involved rules enforcement, boat tows and pass checks.
- Our Lifeguard Team hosted the Orange County Lifeguard “lift bag” scuba training on February 25. Photos of the Orange County Lifeguard Agencies “lift bag” scuba training on February 25 are now available on our website. (via a link on the Lifeguard main page.) Lieutenant Mike Scott did a great job representing LMVA as the Training Captain and moderator of the sessions.
- The first training for returning Lifeguards took place this past weekend with 16 hours of USLA certified training for approximately 30 returning employees.
- The first Seasonal Lifeguard tryouts will be held this Sunday March 14th and again on Saturday March 27th.
- Junior Lifeguard tryouts will be held March 14th, 18th and 28th.

Lake Biology:

- Our last trout stocking of the season will be Tuesday March 9th from Mt. Lassen Trout Farms in Northern California.
- With the continued rains, our well remains shut down for cleaning and maintenance. We treated it last week with ‘F-25’, which helps reduce the effects of the buildup of iron bacteria. The Well will be turned back on in April, unless it appears that we will not meet or surpass our average rainfall for March, which is 2.71”.
- We are reviewing our procedures on both intentional and emergency water release programs to insure all procedures are current and key employees are fully trained up to speed.

ADMINISTRATIVE MANAGER’S REPORT

BILLING/MEMBERSHIP DEPARTMENT

- As of 03/01/10 staff has deposited \$2,281,567 in membership assessments, since 12/01/09.
- 30-Day late letters have been mailed to members delinquent for the 1/10-6/30/10 assessment period.
- As of 03/01/10, 544 files are at the collections attorney’s office. 247 accounts are all in arrears for assessment periods prior to and including the 2009 assessment year. 297 additional accounts are delinquent for 2009 assessments only.

- Membership counselors processed 1 new voluntary membership during the month of February.
- Online bill payment electronic delivery program continues to be an effective tool. We have deposited over \$85,500 in our new account from one clearinghouse since we opened the account at Citibank. We are currently working with another major electronic clearing house that will double our receipt of electronic payments during the next assessment.

ACCOUNTING DEPARTMENT

- CD and money market yields continue to be very low. We invested \$600,000 on March 2nd at rates from .10% for 90 days up to .55% for 1 year. We have 58 investments totaling \$6,949,000 currently in our portfolio.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.

FINANCIAL (Revenue · Cost · Reserve · Audit)

- Ardavan Keyhan has met with Laura Bender and has started the 2009 audit. Ardavan will be at the April meeting to present the audit in time for the May 1 publishing deadline to the members.

MEMBER / COMMUNITY RELATIONS

- March/April Noticia has been mailed to the membership as of March 1.
- Clubhouse bookings for 2010 continue strong with 24 events booked of which 17 are large scale parties. In comparison, as of 3/01/09 we had 28 events booked with 25 of these being large scale parties.
- Fishing Club February tournament successful with 28 participants. We will be concluding the Trout tournament fishing season with two events during the month of March (the last regular tournament on 3/13 and the Angler of the Year “Lures Only Tournament” on 3/27.

BIOLOGY / LAKE INFORMATION

Subject: Current Lake Information
 Lake Elevation 700.97 (ft, asl)
 Surface Water Temp. 59 (F)
 Secchi Visibility 32 (ft.)

WEBSITE

- Website statistics for 2/10 show 26,689 visits to the website; down .53% from 2/09.

OPERATIONS MANAGER'S REPORT

Special Events / Member-Special Events/ Employee Community Relations

- The annual LMVA disaster preparedness training was held on 2-18-2010 and 2-20-2010.
- Boat rental hours were changed on 3-6-2010. The last boat will now be rented at 5:00 PM and due in by 6:00 PM.
- 2009 OSHA Annual Summary of Work Related Injuries and Illness has been completed and posted as required by law and we are proud to report that we had only 1 injury with a total of 8 working days lost.

Major Projects / Initiatives

- Work has been completed on the Removal and Replacement of the Upper East Beach Trellis Structures
- Work has been completed on the removal of 4 of the old drinking fountains at North Beach. These fountains were no longer working and we could no longer obtain parts for them.

Old Business:

- **Concert Bowl Extension:** Karel Kriz made a brief presentation regarding the history of the Concert Bowl Extension project. Delegate Art Cook asked if there was anywhere else in Southern California where this type of project has been built. Mr. Kriz stated that there are examples of property extension projects over water in both Newport and Huntington harbors. Sid Wittenberg asked about the cost of the project. Mr. Kriz stated that earlier cost estimates for the project came in at approximately \$850,000. A general discussion took place regarding time lines and methods of construction for an extension of the concert bowl. Diane Lincoln stated that she would like to have a structural engineer include another look at the amphitheater concept with the structure being placed lower in the bowl than previously designed. Mr. Kriz stated that he would also like to include the Interactive Fountain adjacent to the beach into the project as well. Fred Mellenbruch made a motion to approve an expense of \$5,000 to retain a structural engineer to develop a concept for the Concert Bowl Extension, the Amphitheater and the Interactive Fountain. Second, Jane Chadburn. Vote Carried 5-0-0.
- **Bulkhead Railing Upgrade/Replacement:** Karel Kriz stated that with the new Breezeway/Concourse project nearing completion, he would like to research upgrading the existing aluminum railing that sits atop the bulkhead in the North Beach area. Diane Lincoln stated that without objection from the Board, she would ask Mr. Kriz to research costs for both upgrading and replacement of the existing railing. There were no objections from the BOD.
- **HDR Engineering Contract:** Diane Lincoln stated that approval of the lake engineering contract, tabled at the February meeting for review by staff and mentioned in the approval of the minutes previously this evening was moved to this month. If there is no objection from those present at the meeting the board will take action on the contract this evening 3/09. Ms. Lincoln asked for a motion from the board. Sid Wittenberg made a motion to approve the 2010 Engineering contract with HDR Engineering. Second Fred Mellenbruch. Vote Carried 5-0-0.

New Business

- **Patrol Boat 90 HP Outboard Motor:** General Manager Kevin Frabotta stated the need to replace one of the Patrol Boat motors. This motor is on the main Lifeguard boat and was planned for replacement in the Reserve in 2011. However, the motor has failed and repairs are no longer feasible. The cost of replacement is \$10,700. There is currently \$9470 reserved for this motor. We are requesting that the \$9470 come from the Reserve Account # 2046 and the \$1230 from Contingency Account # 2047. Fred Mellenbruch made a motion to purchase the 90 Horsepower Honda Motor as recommended by staff. Second, Jane Chadburn. Vote Carried 5-0-0.
- **Purchase of 4 Lifeguard Radios:** General Manager Kevin Frabotta stated that the lifeguard communication radios are scheduled for replacement. Kevin recommended replacing four (4) radios, one for the Lifeguard Captain and one for each of the three Lieutenants with Motorola

TRBO Digital Radios. Reserves are in place for replacement of 15 radios for this year, but will be replacing only the 4 in order to try the new digital equipment and establish the number of radios needed in the future. The balance of reserves will be allocated into 2011 reserve plan. Kevin requested an amount not to exceed \$3,800, including tax and freight from Reserve Account # 2046 for the purchase. Fred Mellenbruch made a motion to approve purchase of the four (4) radios as recommended by staff. Second, Jane Chadburn. Vote Carried 5-0-0.

- **Party boat Replacement (2):** Operations Manager Bryant Watilo stated that he had received a proposal from Sweetwater Boats to purchase two (2) Pontoon Party Boats along with two (2) Ray electric motors for a total cost of \$36,553.58. This cost includes estimated shipping costs based on last year's expenditure. Bryant recommend approval of this purchase to continue the program of purchasing two (2) new boats every year, thus changing our fleet out every 5 yrs, with funds to come from Reserve Acct. # 2046, Category 60 Boats and Reserve Acct. # 2047 Contingency. There is \$34,150.00 in Acct. # 2046 for this purchase with the balance of the purchase (\$2,403.58) to come from Contingency Acct. # 2047. Fred Mellenbruch made a motion to approve purchase of the two (2) Pontoon Party Boats as recommended. Second, Sid Wittenberg. Vote Carried 5-0-0.
- **Beach Sand Replacement (North and East Beach):** Operations Manager Bryant Watilo stated that he had received two (2) bids for the import and placement of 3,000 tons of Pro Tour Play Sand onto North and East Beaches. Bryant recommended awarding the contract to El Toro Materials for an amount not to exceed \$104,960.00, with funds to come from Reserve Acct. # 2046, Category 090 Sand. There is \$105,000.00 in reserve for this purchase. Alan Viridins made a motion to approve the contract as recommended by staff. Second, Jane Chadburn. Vote Carried 5-0-0
- **Mini Trash Dump Truck Replacement:** Operations Manager Bryant Watilo stated that he had received two (2) bids for the purchase and replacement of 1 Mini Trash Dump Truck for our Maintenance Dept. Bryant recommend purchasing the truck from Mag International for a not to exceed cost of \$15,087.98, with funds to come from Reserve Acct. # 2046, Category 100 Carts. There is \$20,700.00 in reserve for this purchase. Fred Mellenbruch made a motion to approve the purchase of the Mini Trash Dump Truck as recommended by staff. Second, Sid Wittenberg. Vote Carried 5-0-0.
- **Mini Flatbed Truck Replacement:** Operations Manager Bryant Watilo stated that he had received two (2) bids for the purchase and replacement of 1 Mini Flatbed Truck for our Maintenance Dept. Bryant recommend purchasing the truck from Mag International for a not to exceed cost of \$9,256.80, with funds to come from Reserve Acct. 2046, Category 100 Carts. There is \$15,525.00

in reserve for this purchase. Fred Mellenbruch made a motion to approve the purchase of the Mini Flatbed Truck as recommended by staff. Second, Alan Virdinis. Vote Carried 5-0-0.

- **20 Single Kayak Fleet Replacement:** Operations Manager Bryant Watilo stated that he had received two (2) bids for the purchase of twenty (20) single kayaks. This purchase includes all new seats and paddles. Bryant recommend purchasing the kayaks from Hobie Cat, which has been our vendor of choice for many years for a cost not to exceed \$7,383.95, with funds to come from Reserve Acct # 2046, Category 060 Boats. There is \$7,700.00 in reserve for this purchase. Sid Wittenberg made a motion to purchase the twenty (20) single kayaks as recommended by staff. Second, Jane Chadburn. Vote Carried 5-0-0.
- **12 Tandem Kayaks Fleet Replacement:** Operations Manager Bryant Watilo stated that he had received 2 bids for the purchase of twelve (12) tandem kayaks. This purchase includes new seats and 14 new paddles. Bryant recommend purchasing the kayaks from Hobie Cat, which has been our vendor of choice for many years for a cost not to exceed \$7,854.49, with funds to come from Reserve Acct. # 2046, Category 060 Boats. There is \$7,860.00 in reserve for this purchase. Fred Mellenbruch made a motion to purchase the twelve (12) tandem kayaks as recommended by staff. Second, Jane Chadburn. Vote Carried 5-0-0.
- **Picnic Tables:** Operations Manager Bryant Watilo stated that he had received quotes to add three (3)new picnic tables with new concrete slabs, tables to match existing and BBQ's at the area where the old ADA Ramp was removed from the park. In addition, he proposed the removal and replacement of two (2) existing slabs in the park east of the 1st patio structure that are damaged. We will reuse the tables and BBQ's on these 2 areas. Bryant stated that he felt this purchase will increase available picnic areas for members to use, especially during the busy summer season. Bryant recommended this purchase/contract for a cost not to exceed \$9,981.86, with funds to come from Capital Expansion Acct # 2045. Alan Virdinis made a motion to approve purchase of equipment for three (3) and concrete work expense for the five (5) slabs as recommended by staff. Second, Fred Mellenbruch. Vote Carried 5-0-0.
- **Snack Bar Renovation:** Operations Manager Bryant Watilo stated that he had received three (3) bids for refurbishment of the North Beach Snack Bar. This project includes replacing the laminate countertops and wood cabinets with Stainless Steel components. We also propose to change out the store front window frames and glass to a bronze anodized finished frame to match the new store front windows in the Breezeway project. Bryant recommended the contract be awarded to Babuscio Construction for a cost not to exceed \$59,000, due to the nature of the project and the quality of work Babuscio Construction has provided LMVA in the past. The expenditure to come from Capital Expansion Acct. 2045. Fred Mellenbruch made a motion to award the contract to refurbish the North Beach Snack Bar to Babuscio Construction

as recommended by staff. Second, Alan Virdinis. Vote Carried 4-0-1 (Jane Chadburn abstained from the vote).

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:43 PM.

Attest: _____, Secretary