

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
November 09, 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 Fred Mellenbruch at 7:01 PM.

Board Members Present:

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

Staff Members Present:

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

Others Present: M. Bender, G. Virdinis, J. Chandler, N. Schmidt, J. Chadburn, G. Millikan, K. Abele, W. Broadhag, R. Simenz, M. Wilkie, C. Wilkie, D. Gingold, K. Abele, P. Tietz, A. Waugh, T. Hoadwonic, M. Terusa, A. Kotnik, A. Cook, J. Anchell, T. Musolino, R. Heimann, K. Kriz, K. Pennington and S. Byron.

Minutes: Motion duly made by Diane Lincoln and seconded by Alan Virdinis to approve the minutes of the October 2010 Board Meeting Vote Carried 4-0-1). Sid Wittenberg was absent from the meeting

Members Forum: None

Delegates Forum: Delegate Stu Byron complimented staff for production of the November *Noticia* and Diane Lincoln in particular for her State of the Lake article in the issue. Alan Virdinis thanked all the delegates for their participation in the October annual meeting and election of the Board of Directors.

Special Presentations:

Marine Appreciation Day 2011

Mission Viejo Marine Adoption Committee Chairman Bruce Hunt was unable to attend the meeting. Fred Mellenbruch stated that the board would address the date request for the 2011 Marine Appreciation day in new business.

OC Triathlon proposal for 2011:

Bill Leach thanked the Board for their hospitality regarding the 10/10/10 triathlon and stated that the event was very successful. Mr. Leach requested approval of 5/22/11 as a date for the 2011 event. He also stated that he felt the change in date would enhance participation in the event by athletes. Mr. Leach introduced David Flournoy as a contributing member of his staff. Director Sid Wittenberg asked staff if the requested new date of 5/22/11 was in conflict with any of our spring activity dates. General Manager Kevin Frabotta stated that the requested date fit in between the Symphony and Memorial Day weekend and worked well with our planned 2011 schedule of events. Fred Mellenbruch stated that the board would address the date request for the 2011 triathlon in new business.

Yacht Club Request for Stipend

LMVYC Vice Commodore Peter Tietz addressed the board regarding the stipend for 2011. Mr. Tietz thanked the staff (especially marina employee Daniel Bodine) and board for their support during 2011. He gave a brief recount of the 2010 yacht club season and noted major accomplishments for the year. Mr. Tietz requested a stipend of \$4,000 plus the cost of insurance for 2011, the total of which would be \$5,132.00. Alan Virdinis asked about the dues for the various sailing associations that LMVYC belongs to. Mr. Tietz stated that dues for these associations has risen \$430 in the past year. Sid Wittenberg asked about the cost of annual family membership dues. Mr. Tietz stated that LMVYC had raised the family dues \$10 to \$75 per year. Delegate Rich Heimann asked how many family memberships were in the club. Mr. Tietz stated that there were 75 families which consisted of 170 members. Board President Fred Mellenbruch stated that the board would discuss the matter further in new business.

Junior Sailing Club Request for Funding

Delegate and LMVYC member Rod Simenz addressed the board with a request for funding to purchase new sabot sails for the junior sailing program. Mr. Simenz explained the need for new sails for the program including a short background of the junior sailing program. Mr. Simenz requested the board to approve funds to purchase 5 new Mylar sails from Ullman Sails in Santa Ana. Board President Fred Mellenbruch stated that the board would discuss the matter further in new business.

Plaque Presentation

Board President Fred Mellenbruch presented a "Golden Gavel" plaque to former Board President Diane Lincoln for her excellent leadership over the past two years. Board Member Sid Wittenberg stated that Ms. Lincoln did a fine job as president during difficult times.

Director's Report: None

Treasurer's Report:

The Lake Mission Viejo Association financial statement through October 31, 2010 was not available in time for the meeting due to our Accounting consultant being out on maternity leave.

Committee Reports: None

Manager's Reports:

GENERAL MANAGER'S REPORT

FINANCIAL / GENERAL:

- Due to our Accountant's maternity leave, Financial Reports for October were not ready as of the printing of this report. This report will not include any financial information.
- Insurance Renewals: All needed renewal information has been provided to our Broker for quotes on Property, General Liability, Worker's Compensation, Marine/Docks, D&O coverage and Vehicles. In a conference call Friday with our Broker, early indications are

fairly flat rates for Property, GL, Vehicle, and low single digit increase on Earthquake, D&O and Umbrella rates. Although the State Workers Compensation Board is recommending higher increases, our Broker feels that we will see low to mid single digit increases at most for Workers Compensation Insurance.

- Researching our Floating Stage project's impact on insurance rates: Our General Liability Insurance already contemplates this exposure which is inherent in the operation of our Lake and we would not see a GL premium increase. Property coverage on the stage itself will increase based upon the final value placed on the finished project.
- Bryant Watilo and I attended a seminar sponsored by attorneys Neuland and Whitney including an overview of statutes governing Association Management. Topics included recordkeeping requirements and requests for documents.
- Annual financial disclosure information regarding Reserves, Insurance and Operating Budgets was provided to our members in our November *Noticia*.
- 2010 "Paint The Lake" contest winner Mariana Washburn was presented with a \$500 check for her winning painting, "View from Tortilla Flats". The painting will be added to our collection in the Administration Building.
- After retiring from the Board, Jane Chadburn has begun her tenure as Concerts and Events Coordinator.

HR / LABOR:

- The Payroll and Quit Reports are included in your packets. No major trends to report.
- HR Manager Janice Chandler is coordinating Management Training and California mandated Sexual Harassment Prevention training with our Employment Attorney for early next year.
- Bryan Kelly, our newly promoted Lifeguard Lieutenant is now fully in place in his new position.
- Janice Chandler and Dave Kerr have been reviewing proposals from various Payroll system providers. Dave will provide more information on this topic in his report.
- Our annual Employee Holiday party has been scheduled at Dave and Buster's for December 8th.

LIFEGUARDS:

- The Lifeguard statistics for October are included in your packets.
- One citation was issued in October for illegal fishing using live bait.

- The new digital Lifeguard radio system which was approved last meeting has been ordered and we should be converted and fully operational this month.

LAKE BIOLOGY:

- In the month of October, we did not purchase any water from SMWD and pumped 22.3 acre feet from our well. With the 3.2 inches of rain in October, we should finish this year without purchasing any additional lake fill water.
- Our first trout stocking for this season will be Wednesday November 17, with our Trout Opener at 6 a.m. on Saturday November 20th. In advance of this stocking:
 - Fish importation permit applications have been filed with the California Dept. of Fish and Game for the delivery of rainbow trout from Nebraska.
 - Mussel test results have been received from both fisheries: Chaulk Mound in Nebraska and Mt. Lassen in Northern California have provided us with our required Quagga Mussel test results, and both are negative.

ADMINISTRATIVE MANAGER'S REPORT

BILLING/MEMBERSHIP DEPARTMENT

- As of 11/01/10 staff has deposited over \$2,611,941.00, in assessment payments most of which is for the 7/01-12/31/10 assessment period.
- As of 10/01/10, approximately 425 files are at the collections attorney's office vs. 11/01/09 when there were 330 files in collections. Each of these accounts is in arrears for previous assessment periods. Approximately half are delinquent for just the 1/01-6/30/10 assessment period.
- 90-Day past due accounts for the current assessment period received certified letters regarding the month of October.
- Membership counselors processed 2 new voluntary memberships during 10/10.
- Membership/Billing staff were able to catch up on projects during a slow month for activity in the office.

ACCOUNTING DEPARTMENT

- CD and money market yields continue to be very low. We reinvested \$400,000 on 10/01 at .05% for 90 days. We have 42 investments totaling \$5,801,371.52 currently in our portfolio with an average interest rate of 1.25%.
- Enclosed in your packet is a copy of the current investment portfolio at Comerica Securities.
- Laura delivered a 7 lb. 8 oz. baby girl in early October, therefore a limited financial statement for the month end 10/31 may be available by Monday 11/07.

Dave Kerr 12/20/10 9:28 AM

Deleted:

FINANCIAL (Revenue · Cost · Reserve · Audit)

MEMBER / COMMUNITY RELATIONS

- December *Noticia del Lago* nearing completion for mailing to the members on or around Thanksgiving weekend. Lots of fishing information in this issue along with Parade Of Lights/Santa's Arrival and recreation class information for winter 2011.

- Clubhouse events continue to book with 61 total events booked thus far for 2010 vs. 64 total for 2009. Business meetings continue to be popular as word spreads about the success of recent successful events held.
- Clubhouse events held through 10/31/10 at 54 events vs. 50 events held through 10/31/09.
- Bruce Hunt and Marine Corp brass from Camp Pendleton will be present at the 11/10 meeting to request Saturday, April 30, 2011 as the date for the 3rd annual Marine Appreciation Day at LMV.
- Bill Leach from the Pacific Coast Events will be present at the 11/10 meeting to request Sunday, May 22, 2011 as the date for the 2011 Orange County International Triathlon. The event directors, (Bill and Bob Cuyler) feel that moving the event from October to May will increase participation by the athletes.

BIOLOGY / LAKE INFORMATION

Subject:	Current Lake Information
Lake Elevation	700.40 (ft, asl)
Surface Water Temp.	76 (F)
Secchi Visibility	44 (ft.)

WEBSITE

Website statistics for 10/10 show 29,907 visits down 7% from 10/09.

OPERATIONS MANAGER REPORT

Marina/Lake Operations

- We have received the new batteries for our aluminum fishing boats and have placed them in service in anticipation of another great trout season.
- The refurbishment of the 2nd pontoon fishing charter boat is complete and it has been placed in service for use by our members.
- The Yacht Club held its annual Top Skipper Regatta on Sunday October 24th, and although the competition was fierce for the coveted Top Skipper Award a great time was had by all.
- We have completed installing the solar powered lighted red buoys around our marina and swim areas.
- Boat rental hours were changed on 11-7-2010. The last boat will now be rented at 4:00pm and due in by 5:00pm.

Architectural Review Committee

- The Architectural Review Committee received and approved (1) application from a lakefront homeowner to do a partial backyard remodel of their lot. A copy of the minutes has been included in your packet.

Projects/Initiatives

- We have recently completed changing out the interior lighting fixtures in our Administration Building to a more energy efficient system and are so impressed with the results that we have ordered the fixtures needed to complete the entire facility while taking advantage of the current SCE rebate program.
- We recently held a meeting with SCE in regards to any available options to replace our parking lot lights. SCE has several ideas for our parking lot needs, paying special attention to style of the lights and fixtures and any available rebates we may qualify for. The parking lot lights are fully reserved for and are in dire need of replacement/upgrading. We hope to have more information on this subject for a future meeting.
- We recently held a pre-construction meeting with the 2 contractors that will be doing our Administration window replacement Project. We are scheduled to start the project on November 15 and anticipate having it completed by the 1st of the year.

Old Business: None

New Business:

Marine Appreciation Day 2011

Sid Wittenberg made motion to approve Saturday, April 30, 2011 as the date for Marine Appreciation Day 2011. Second, Dale Tarkington. Vote Carried 5-0-0.

OC Triathlon date 2011

Diane Lincoln made a motion to approve May 22, 2011 as the date for the 2011 Orange County International Triathlon. Second, Dale Tarkington. Vote Carried 5-0-0.

Yacht Club Stipend

Diane Lincoln made a motion to go into discussion regarding the Yacht Club stipend for 2011. Second, Alan Virdinis. Ms. Lincoln stated that last year the board approved \$3,500 including the cost of insurance for the club. General Manager Kevin Frabotta confirmed with Mr. Tietz that LMVYC was asking for \$5,130. A general discussion among the board took place and Ms. Lincoln withdrew her motion pending discussion of the purchase of the sails for the Junior Sailing program.

Junior Sailing Club Sails Purchase

Diane Lincoln made a motion to approve an expense of \$2,218 to purchase 5 Mylar sails from Ullman Sails with expense to come from Contingency Account 2047. Second, Sid Wittenberg. Vote Carried 5-0-0.

Yacht Club Stipend (Con.) Diane Lincoln made a motion to the continue discussion of the Yacht Club stipend for 2011. Second, Alan Virdinis. Ms. Lincoln stated that she was unclear with the request for funding and recommended for an increase of \$500 over the 2010 stipend. Sid Wittenberg asked the question as to how much the 2011 request would be over the 2010 stipend request. Ms. Lincoln asked Mr. Tietz to clarify the current request for funding. Mr. Tietz stated that the 2011 request was for an amount approximately \$1500 more than the 2010 stipend (\$5,130). Fred Mellenbruch recommended an amount of \$4,570 for the total expense including the cost of insurance. Ms. Lincoln amended her motion to approve a stipend for the LMVYC of \$4,570 with insurance being paid for by LMVYC in February 2011. General Manager Kevin Frabotta recommended funding \$1,170 out of Contingency account 2047 from the 2010 budget with the balance to be allocated to LMVYC in March of 2011 in the amount of \$3,500 from the 2011 Operating Budget. Second, Alan Virdinis. Vote Carried 5-0-0.

Park Restroom Upgrade Project

Operations Manager Bryant Watilo stated that the restroom upgrade is a two part project. The first portion is a tile upgrade to the Clubhouse and Upper East Beach restrooms. Mr. Watilo recommended awarding a contract to Carpet Distributors for an amount not to exceed \$17,899 with funds to come from Contingency Account 2047. Diane Lincoln made the motion to approve the expenditure as stated above. Second, Dale Tarkington. Vote Carried 5-0-0.

Mr. Watilo stated that the second part of the restroom upgrade involves replacing the bathroom stall partitions in all the facility restrooms except lower East Beach restrooms. Three options were presented and Mr. Watilo recommended purchase of stainless steel partitions from PBS for a cost not to exceed \$32,600 with expense to come from Structural Maintenance Acct. 5087 (\$10,000) and the balance (\$22,600) to come from Contingency Account 2047. Diane Lincoln made the motion to approve the expenditure as stated above. Second, Sid Wittenberg. Vote Carried 5-0-0.

Time Clock Purchase

Administrative Manager Dave Kerr presented a proposal to replace the Time and Attendance time clocks currently in use with Finger Scan time keeping terminals. Mr. Kerr stated that staff has evaluated several contractors regarding both Time and Attendance along with Payroll software and time clock hardware. After extensive research and reference checks, staff recommends purchase of 7 Biometric Cyber Series Finger Scan time clocks from Paycom for a cost not to exceed \$22,889 (including tax); with \$22,460 to come from Reserve Account 2046 and the balance of \$439 to come from Contingency Account 2047. Diane Lincoln made a motion to approve the expenditure as stated above. Second, Alan Virdinis. Vote Carried 5-0-0.

Long Range Planning Committee – Member Appointment

President Fred Mellenbruch announced reactivation of the Long Range Planning committee and appointment of members to the committee as follows: Chair Person, Diane Lincoln; Members, Dale Tarkington, Rod Simenz, Art Cook and Kevin Frabotta.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:10 PM.

Attest: _____, Secretary