

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
January 13, 2015**

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 Kevin Pennington at 7:03 PM.

Board Members Present:

Kevin Pennington President
Bill Ernisse, Vice President
Dale Tarkington, Vice President
Diane Hufstedler, Secretary
Fred Mellenbruch, Treasurer

Staff Members Present:

Kevin Frabotta, General Manager
Dave Kerr, Administrative Manager
Bryant Watilo, Operations Manager
Janice Chandler, Human Resources Manager
Kevin Iverson, Controller
Jim Turner, Aquatics Manager
Norma Risher, Billing Coordinator

Others Present: J. Sperber, P. Coyle, M. Bender, C. Kelly, B. Perches, G. Viridinis, G. Millikan, W. Broadhag, A. Christensen, A. Edwards, S. Edwards, E. Rodriguez, K. Abele, F. Fournier, M. Nix, J. Chadburn, A. Kotnik, N. Schmidt R. Simenz, T. Hoadwonic, R. Heimann, D. Rookh, A. Cook, and J. Clark.

Minutes: Kevin Pennington stated that corrected minutes from the November 11, 2014 meeting as well as the December 09, 2014 meeting were ready for approval. Dale Tarkington made a motion to approve both sets of minutes. Second, Diane Hufstedler. Mr. Pennington stated that his name was misspelled in the Election Reform Committee item in the November 11th minutes. Staff was directed to correct the spelling to "Pennington". Dale Tarkington amended his motion to correct the spelling of Mr. Pennington's name. Second, Diane Hufstedler. Vote Carried 5-0-0.

Members Forum: None

Delegates Forum: Delegate Pat Coyle (Palmia) asked about the status of the restocking of the lake. General Manager Kevin Frabotta stated that fish and Golden Algae would be addressed later in the meeting in the Aquatics Manager's report. Delegate Rod Simenz (District 34) stated that he had received many complaints from residents regarding the obstruction of view by trees on East Beach property. He asked the Board to consider amending the tree trim policy as

follows: “In the interest of being a good neighbor, LMVA will consider trimming trees for view in special circumstances, provided such tree trimming does not significantly alter the esthetics of the location or harm the health of the trees.” Kevin Pennington asked Mr. Simenz if these concerns from the neighborhood were being reported to staff so we could get a pulse on the volume. Mr. Simenz stated that there had been quite a bit of discussion over the years. Bill Ernisse provided some history of the requests for tree trimming over the past 7 years.

Special Presentations: Special Olympics/City of Mission Viejo

Mark Nix, Director of Recreation and Community Services for the City of Mission Viejo addressed the Board regarding the Special Olympics World Games to be held in Los Angeles in July of 2015. Mission Viejo has been chosen as a Host Town for 180 athletes for 4 days in 7/15. Mr. Nix requested the Board to consider partnering with the City of Mission Viejo to host an event for the athletes and their families (300- 500 people) on Wednesday, 7/22 similar to the Lake Day held each year for the Headquarters Marine division from Camp Pendleton. The Board requested staff to evaluate impact and logistics of holding the event and provide the Board with a recommendation regarding holding the event.

LMVYC Stipend and Insurance

Vice Commodore Ed Rodriguez of the Lake Mission Viejo Yacht Club Respectfully requested the Board allocate \$3,500 stipend and \$1,500 insurance expense for the LMVYC 2015 operating budget. Kevin Pennington stated that the action regarding this item would be addressed in new business. Fred Mellenbruch asked if the Yacht Club had provided the 2015 budget to staff. LMVYC Treasurer Arnold Christensen provided copies of the budget for the Board and staff.

Dave Roohk: Annual Water Consulting Contract

Water consultant Dave Roohk provided a brief overview of his consulting services contract proposal for 2015.

Water Supply Presentation

David Roohk (LMVA water engineering consultant) presented a power point presentation regarding the current drought situation and effect. Mr. Roohk started with explaining the most recent year of the state drought, and produced the latest U.S. drought update regarding California. Mr. Roohk explained the various options for lake fill water supply needs and the effects of water supply loss on LMV. He explained supply alternatives being considered including:

- Status Quo
- Use advanced purified water
- Obtain offset for helping others use reclaimed water for irrigation
- Participate in new local supply project
- Participate in new regional supply project
- Use untreated imported supply

Mr. Roohk also discussed alternative evaluation criteria and a preliminary range of costs for water to fill the lake.

Director's Report: None

Treasurer's Report:

Treasurer Fred Mellenbruch stated that the Lake Mission Viejo Association financial statement through December 31, 2014 shows:

Actual revenue of	\$ 6,871,296
Gross Income of	6,806,067
Actual Operating Expenses of	6,598,697
Net Income	207,369
Budgeted Net Income	(110,148)
Total Investments	8,138,195
Total Operating Cash on Hand	256,199
Interest Income	51,661

- Accruals (not including payroll) equal \$68,092 for the month.
- In the last 12 months we have written off \$31,457 in bad debts.

Committee Reports: None

Manager's Reports: General Manager, Administrative Manager Operations Manager and Aquatics Manager reports were presented to the Board.

Old Business: None

New Business: Yacht Club Stipend Request

Bill Ernisse made a motion approve the Yacht Club Stipend (\$3,500) plus Insurance costs (\$1,500) with with expense to come from Contingency Account 2047. Second, Diane Hufstedler. Fred Mellenbruch asked how many members are in the LMVYC. Arnold Christensen stated that there were 79 family memberships @ \$75 each and 4 junior memberships @ \$25.00 each. Mr. Mellenbruch asked if membership has been stable through the years. Mr. Christensen stated that after several years of growth that the number of memberships has been stable over the past 3 or 4 years. Dale Tarkington asked that for 2016 staff incorporate the LMVYC stipend into the operating budget for 2016. Vote Carried 5-0-0.

Dave Rookh Contract

Dale Tarkington made a motion to approve the Water Consulting contract with Dave Rookh for services in 2015. Second, Diane Hufstedler. Vote Carried 5-0-0.

Water Supply Project / Next Steps

Dale Tarkington made a motion to have staff work with SMWD to refine the estimates for the different water supply alternatives so we can refine the valuation matrix and identify the prioritized list of alternatives. Second, Diane Hufstedler. Fred Mellenbruch asked if this would bring in cost effectiveness. Kevin Pennington stated this action was basically to gather those pieces of information to apply to all criteria. Vote Carried 5-0-0.

Monarch O'Connell Irrigation proposal

Operations Manager Bryant Watilo stated that several months ago LMVA entered into an agreement with Monarch Environmental to evaluate our landscape irrigation equipment for updating to water conservation oriented equipment. LMVA landscape contractor O'Connell Landscape has presented a bid to do this work. These changes include replacing over 1,100 heads. 840 of these heads will be changed to a new rotating nozzle for which we are eligible to receive a \$4.00 per head rebate. In addition we will be matching precipitation rates on another 300 heads by changing out the nozzles to more accurately supply the planting material.

We have removed any areas that could possibly be impacted by our Parking Lot Landscape renovation project. We will address those areas at that time if the BOD chooses to not move forward with that project. This proposed project does not include Monarch Environmental's recommendation to install master valves, pressure regulators and flow sensors on all our meters. Staff is looking at those recommendations as a "stand alone" project to be addressed after we finish all our other landscape renovation work. There is a 14 page spread sheet along with an overview spread sheet showing pricing, available rebates and estimated annual savings in your packets.

Staff recommends awarding this work to O'Connell Landscape Maintenance for a not to exceed amount of \$27,122.51, along with a contingency amount of \$4,727.40 to be used only if needed at managements discretion. Funds for this purchase to come from Reserve Acct. #2046, Category 150 Landscape & Irrigation. There is \$550,000.00 in reserve for this purchase. Fred Mellenbruch made a motion to approve the contract as proposed. Second, Dale Tarkington. Vote Carried 5-0-0.

Review of RJM parking lot landscape renovation plans/estimated costs

Operations Manager Bryant Watilo stated that our Parking Lot Landscape Renovation plans are now complete. With BOD approval we are prepared to send them out to bid. The project is broken into 2 potential phases. The first phase is the lower parking lots from the entry on down, and the second will be the road up to the upper parking lot and the upper parking lot islands.

Included in your packet is an Opinion of Probable Construction Costs supplied to us by RJM Design Group for each phase. Based on those estimates, staff recommends the BOD allows us to send the plans out to bid with a deadline to submit bids by February 3. This will allow staff to analyze the bids with RJM, and have recommendations for BOD consideration at the February 10 meeting. A motion was made by Diane Hufstedler to direct staff to research bids to complete the landscape renovation project as proposed. Second, Bill Ernise. Dale Tarkington asked staff to come back with an estimate of savings with the rebates available. Mr. Watilo stated that there is approximately 20,000 sq. ft. of turf that will be replaced. Bill Ernise asked if 3 weeks is enough time to get bids returned. Mr. Watilo stated that he is confident we will get bids back in time for the February 10, 2015 meeting. Fred Mellenbruch asked how this expense will affect the Landscape line in the Reserve study. Kevin Pennington asked if O'Connell Landscape will be included as one of the bidders. Mr. Watilo stated that O'Connell Landscape along with Park West and Valley Crest Landscape companies will present bids to complete the project. Vote Carried 5-0-0.

Committee Member Nominations and Selection (Election Reform Committee) Kevin Pennington asked if there were any delegate members interested in participating as members of the Election Reform committee. Jane Chadburn, Rod Simenz, Rich Heimann and Tamara Hoadwonic all expressed interest in being members of the committee and Kevin Frabotta stated that Dorrie Steele had expressed interest in writing to participate. Mr. Pennington stated that there were 5 candidates interested in the three available positions. Dale Tarkington made a motion to amend the charter to allow for 5 delegates on the committee. Second, Diane Hufstedler. Vote Carried 5-0-0. Dale Tarkington made a motion to accept all 5 delegates as members of the Election Reform Committee. Second, Bill Ernise. Vote Carried 5-0-0.

Landscape Committee

Kevin Pennington asked for interest from the audience in becoming members of the Landscape Committee. Dale Tarkington made a motion to approve Rich Heimann's appointment and Bill Ernise's participation as members of the Landscape Committee. Second, Fred Mellenbruch. Vote Carried 5-0-0.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 9:04 PM.

Attest: _____, Secretary