

**LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
January 12, 2016**

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 7:04 PM.

Board Members Present: Kevin Pennington, President
Dale Tarkington, Vice President
Diane Hufstedler, Vice President
Fred Mellenbruch, Secretary
Bill Ernisse, Treasurer

Staff Members Present:

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

Others Present: J. Chadburn, J. Sperber, C. Kelly, B. Perches, J. Becker, R. Simenz, F. Roberts, F. Fournier P. Coyle, G. Millikan, G. Virdinis, R. Heimann, N. Schmidt, A. Kotnik, W. Broadhag, T. Hoadwonic, C. Rochon, J. Stevens, N. Michaels and D. Roohk.

Executive Session: The Board held an Executive Session prior to the Board Meeting to discuss legal and contractual issues.

Minutes: Fred Mellenbruch made a motion to approve the minutes of the December 8th Board Meeting. Second, Dale Tarkington. Bill Ernisse stated that his name was misspelled on page 2 in the Landscape Committee report. Diane Hufstedler stated that she wanted to add “which was unanimously determined not to be a recommended option” to the end of the Long Range Planning Committee report. Vote Carried 5-0-0.

Members Forum: None.

Delegates Forum: Charles Rochon announced that he had been elected as the new delegate representing Finisterra.

Special Presentations: Dave Roohk, Water Monitoring and Management consultant, presented his proposal for Technical Services for 2016. Mr. Roohk gave a brief summary of the 6 job tasks included in his proposal. Mr. Roohk also gave a brief presentation regarding the State of the

Lake in reference to the APW project currently in progress with the Santa Margarita Water District.

Directors Report: None

Treasurer's Report:

Treasurer Bill Ernisse stated that the Lake Mission Viejo Association financial statement through December 31, 2015 were available for members in print form.

The Lake Mission Viejo Association financial statement through December 31, 2015 shows:

Actual revenue	\$ 6,903,188
Gross Income	6,842,216
Actual Operating Expenses	6,795,995
Net Income	42,221
Budgeted Net Income	(108,809)
Total Investments	7,388,312
Total Operating Cash on Hand	1,007,693
Interest Income	39,989*

- Accruals (not including payroll) equal \$97,347 for the month.
- In the last 12 months we have written off \$10,412 in bad debts.

*Interest income is YTD total excluding prior year adjustments

Committee Reports:

Landscape Committee-None

Election Reform Committee-None

Long Range Planning Committee-None

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

Old Business: Election Reform / Next Steps

Administrative Manager Dave Kerr stated that at the 12/15 Board meeting, staff was asked to put a Special Meeting of the Delegates on the 01/12/16 meeting agenda to consider the potential By-Law changes in regard to the annual election process for the Board of Directors. LMVA

corporate attorney Nancy Michaels has prepared a “Notice of Special Meeting” and a ballot for the Board to consider. Should the Board choose to move forward, they must pass a resolution approving both the “Notice” and the ballot as well as set a date for the “Special Meeting of the Delegates”. Notice of the meeting must be posted at least 10 but not more than 60 days prior to the meeting. Staff suggests Tuesday, February 09, just prior to the February board meeting as potential date.

Diane Hufstedler made a motion to accept the notice and attachment presented by the attorney regarding the election reform Bylaw changes and to notice the delegates in the proper time frame to hold the Special Meeting of the Delegates at 5:00 pm on Tuesday, February 09th prior to the February Board meeting. This meeting would include both a Town Hall meeting and a vote on the bylaw amendments, with a reconvene meeting scheduled if a quorum could not be met for Tuesday, March 08th prior to the March Board meeting. Second, Bill Ernise. A general discussion took place regarding the time of the meeting. Ms. Hufstedler amended her motion to start the meeting at 5:30 p.m. Ms. Hufstedler asked corporate counsel if a reconvene meeting could be scheduled at this time. Ms. Michaels stated that as the meeting would be a meeting of the Delegates, it would be up to the Delegates to call for a reconvene meeting should a quorum not be met. Fred Mellenbruch stated that he was concerned about a delegate appointed by the Board only being able to be counted for quorum purposes. A general discussion took place regarding representation by delegates with passage of the election reform bylaws. Mr. Mellenbruch stated that he felt that by passing these bylaw amendments a disservice would be done to the delegates. Ms. Hufstedler stated that no one would be disenfranchised by these By-Law changes. Vote Carried 4-1-0.

Mr. Ernise asked if the Board needed to act on the other “Clean Up By-Law Amendments”? Ms. Michaels stated that the “Clean Up By-Law” changes should all be addressed There is nothing urgent; however the items should be addressed and considered by the delegates promptly. Ms. Hufstedler made a motion to refer the “Clean Up Bylaw Amendments” to the Election Reform committee for review and recommendations prior to action by the Board. Second, Bill Ernise. Vote Carried 4-1-0. A general discussion took place regarding the benefits of getting the opinion of the Election Reform Committee. Kevin Pennington advised the Board to direct the Election Reform committee to provide an opinion on only the issues that are more than procedural points in reference to Civil Code changes.

New Business: Dave Roohk annual contract approval

Dale Tarkington made a motion to approve Dave Roohk’s annual service contract. Second, Diane Hufstedler. Vote Carried 5-0-0.

Clubhouse Carpet

Operations Manager Bryant Watilo stated that he has received 3 bids to replace the original Clubhouse carpet that has been in service for over 7 years and is in need of replacement. Mr. Watilo recommended purchasing the carpet from Professional Diversified Flooring for an amount not to exceed \$10,404.33 with funds to come from account Reserve Account 2046,

Category 20-Carpet. Fred Mellenbruch made a motion to approve the purchase as stated. Second, Dale Tarkington. Vote Carried 5-0-0.

Purchase of 10 Sails for Rental Boat Fleet

Operations Manager Bryant Watilo stated that he has received 2 bids for purchase of ten (10) new sails for the Catalina Expo 14.2 sailboats in the LMVA rental fleet. The existing sails have reached their usable life span with all having some level of damage. Staff recommends purchasing the sails from Catalina Yachts for a not to exceed amount of \$6,676.00 with expense to come from Reserve Account #2046, Category – 060 Boats. Bill Ernisse made a motion to approve the purchase as stated. 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 8:22 PM.

Attest: _____, Secretary