

**LAKE MISSION VIEJO ASSOCIATION  
BOARD OF DIRECTORS MEETING  
October 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 7:10 PM.

**Board Members Present:**

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

**Staff Members Present:**

Kevin Frabotta, General Manager  
Bryant Watilo, Operations Manager  
Janice Chandler, Human Resources Manager  
Kevin Iverson, Controller

**Others Present:** J. Sperber, C. Kelly, B. Perches, J. Becker, R. Simenz, K. Abele, R. Heimann, P. Coyle, G. Virdinis, A. Virdinis G. Millikan, H. Weiler, F. Fournier, A. Cook, M. Bender, R. Bassolino, T. Hoadwonic and A. Waugh.

President Kevin Pennington stated that the Board had held an Executive Session meeting just prior to this meeting to discuss personnel matters.

**Minutes:** Diane Hufstedler made a motion to approve the minutes of the September 8<sup>th</sup> Board Meeting, September 17<sup>th</sup> Special Meeting and the October 1<sup>st</sup> Emergency Board Meeting; Second, Dale Tarkington. Bill Ernisse stated that he was present for only the September 17<sup>th</sup> meeting. Vote Carried 5-0-0 for the 9/17 meeting and 4-0-1 for the 9/08 and 10/01 meetings.

**Members Forum:** None

**Delegates Forum:** Delegates Kathryn Abele (Palm Gardens) and Cindy Kelly (Eastbrook) addressed the Board.

**Special Presentations:** None

**Directors Report:** None

### **Treasurer's Report:**

Treasurer Fred Mellenbruch stated that the Lake Mission Viejo Association financial statement through September 30, 2015 were available for members in print form.

The Lake Mission Viejo Association financial statement through September 30, 2015 shows:

Actual revenue	\$ 5,252,827
Gross Income	5,199,110
Actual Operating Expenses	5,231,125
Net Income	(32,015)
Budgeted Net Income	(270,569)
Total Investments	7,677,313
Total Operating Cash on Hand	740,852
Interest Income	30,431*

- Accruals (not including payroll) equal \$161,857 for the month.
- In the last 12 months we have written off \$26,763 in bad debts.

\*Interest income is YTD total excluding prior year adjustments

### **Committee Reports:**

**Landscape Committee:** Committee member Bill Ernisse stated that the committee had not met for the past several months, but would resume meetings on Wednesday, 10/21.

**Election Reform Committee:** Committee Chair Dave Kerr stated that the Election Reform committee had met on 10/06 regarding the 2 questions from the Board at the Special Meeting of the Board on September 17<sup>th</sup>.

Regarding question number 1, Mr. Kerr stated that the committee voted unanimously to recommend a quorum requirement of 25% of the voting power of the association for Board elections at the Annual Meeting of the Delegates with a 15% quorum requirement at any reconvened Annual Meeting of the Delegates should a 25% quorum not be achieved at the Annual Meeting.

Regarding question number 2, Mr. Kerr stated that the committee voted unanimously to recommend **not** to support a grandfathered extension to 12/31/2018 for delegates who represent districts that they do not own property in. The committee felt that the association should move forward with a bylaw change requiring delegates to own property in a delegate district in order to become a delegate for a district.

Mr. Kerr went on to state that the committee would like to see delegates have an opportunity to vote on election reform bylaw amendments at the earliest convenience, possibly at the 2015 Annual Meeting of the Delegates on Tuesday, October 27, 2015. Mr. Kerr also stated that LMVA legal counsel had recommended to staff that a Town Hall meeting with the delegates be held to discuss the proposed bylaw amendments prior to a Special Meeting of the Delegates where the delegates would vote on the amendments. Mr. Frabotta stated that he was involved in the conversation with the LMVA attorney.

### **Long Range Planning Committee: No Report**

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

### **Old Business: Governing Documents revisions/next steps**

Diane Hufstedler made a motion to hold an educational meeting on October 27 for the delegates to be educated regarding the proposed bylaw changes and the ballot to be discussed, possibly for a second educational meeting for January if it was deemed necessary and have a Special Meeting at the end of January for delegates to vote on the bylaw amendments. Second, Dale Tarkington. Bill Ernisse asked if it were too long a period of time between the first and second meetings. Ms. Hufstedler stated that the second meeting would be helpful to refresh the delegates before the voting at the Special Meeting. Fred Mellenbruch asked for the motion to be repeated. Ms. Hufstedler repeated her motion. Mr. Mellenbruch stated that he supported the Town Hall educational meetings but felt that to call for a Special Meeting of the Delegates in the same motion was not in the best interest of the Delegates and said he had a problem with the word "if" in the motion. Ms. Hufstedler changed her motion to read "and a second meeting". Mr. Mellenbruch said he could support the Town Hall meetings but could not support the Special Meeting of the Delegates until the educational meetings have been held. Mr. Pennington stated that he can understand the concerns of Mr. Mellenbruch but stated that there were several meetings between October 27<sup>th</sup> and the end of January, 2016 for the Board to make adjustments. Ms. Hufstedler stated that her motion stood as stated. A general discussion took place regarding the schedule of the Town Hall meetings and the Special Meeting of the Delegates. Mr. Mellenbruch stated that he felt the delegates would not have time to consult with all of the members in their respective districts between the second Town Hall meeting and the Special Meeting of the delegates. Mr. Mellenbruch stated that the delegates must go out and hold meetings in each district to follow their direction. Mr. Tarkington stated that this was not the opinion we received from the attorneys but was instead Mr. Mellenbruch's opinion and called for the vote. Vote Carried 4-1-0

### **New Business: Approval of the 2016 Reserve Study**

General Manager Kevin Frabotta introduced the resolution to approve the 2016 Reserve Study. Dale Tarkington made a motion to approve the 2016 Reserve Study. Second Diane Hufstedler. Vote Carried 5-0-0.

### **Approval of the 2016 Operating Budget**

General Manager Kevin Frabotta briefly reviewed changes made to the 2016 Operating Budget since the last Board meeting including increasing the Concert line to \$460,000, the Reserve Contribution line to \$528,700 and the Fish Stocking line to \$278,000. Diane Hufstedler asked to have \$30,000 moved from Fish Stocking to the Landscape and Irrigation line. Kevin Pennington stated that assessment dues were going up \$1.00 per month with the semi-annual assessment for 2016 being \$117. Diane Hufstedler made a motion to approve the 2016 Operating Budget as presented. Second, Bill Ernise. Vote Carried 5-0-0.

### **Purchase of Minn Kota Electric Motors**

Operations Manager Bryant Watilo presented 3 bids to replace the 35 Minn Kota electric motors for the rental fleet. Mr. Watilo recommended purchasing the motors from Walmart for an amount not to exceed \$6,803.62 with expense to come from Reserve Account 2046, Category 70, Boat Motors. Diane Hufstedler made a motion to approve the purchase of motors as presented. Second, Dale Tarkington. Vote Carried 5-0-0.

### **Purchase of Lifeguard Platform materials**

Operations Manager Bryant Watilo presented a proposal to repair and upgrade the lifeguard floating platforms, replacing carpet and fascia and adding cleats to the platforms for docking and towing purposes. Mr. Watilo asked the Board for a not to exceed amount of \$3,000 to cover the cost of materials (work to be done in house by our maintenance staff). Expense to come from Reserve Account 2046 Category 130, Recreation Structures. Dale Tarkington made a motion to approve the expense as presented. Second, Diane Hufsteler. Vote Carried 5-0-0.

### **Reclaimed Water / Irrigation Conversion Proposal**

Operations Manager Bryant Watilo presented a quote from Regal Green Inc. to provide Site Investigation, Retrofit Plan Preparation and Agencies Coordination to the remaining irrigation systems from potable to reclaimed water. Mr. Watilo stated that our water consultant Dave Roohk recommended Regal Green Inc. for the project. Staff recommends awarding the contract to Regal Green Inc. for an amount not to exceed \$14,000 with funds to come from Reserve Account #2046 Category 150 Landscape & Irrigation. Diane Hufstedler made a motion to approve the contract as presented. Second, Dale Tarkington. Vote Carried 5-0-0.

**Purchase of Asyst Data Base Server**

Administrative Manager Dave Kerr presented 2 bids to replace the existing data base/ accounting server with a refurbished server with new internal hard drives from Micronet Networks Inc. for a not to exceed amount of \$3,900. This purchase will come from Reserve Account 2046 Category 30, Computers. Diane Hufstedler made a motion to approve the purchase of the server as presented. Second, Bill Ernisse. Vote Carried 5-0-0.

**Adjournment:** There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:32 PM.

Attest: \_\_\_\_\_, Secretary