

**LAKE MISSION VIEJO ASSOCIATION  
BOARD OF DIRECTORS SPECIAL MEETING  
February 29, 2016**

**MEETING:** Upon notice duly given and received, this special meeting of the Lake Mission Viejo Association Board of Directors was held at the Lake Clubhouse Building. The meeting was called to order by Kevin Pennington at 3:30 PM.

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

**Staff Members Present:**  
Kevin Frabotta, General Manager  
Dave Kerr, Administrative Manager  
Jim Turner, Aquatics Manager  
Kevin Iverson, Controller

**Others Present:** R. Simenz, A. Kotnik, P. Coyle, A. Cook and J. Schatz.

**New Business: Review funding options for Advanced Purified Water Project with Santa Margarita Water District.**

Controller Kevin Iverson presented an overview of the funding options for the APW project with Santa Margarita Water District. Mr. Iverson stated that the Board needed to choose between a 15 year variable Local Resource Program (LRP) or a 25 year variable LRP funding option regarding the project. The 15 year LRP would produce a \$475 rebate / ac and the 25 year plan would produce a \$340 rebate / ac. Mr. Iverson stated that “although not finalized, we know that a rate of 3.75% can be obtained by SMWD and that availability of a lower interest rate than 3.75% or grant funds are unknown at this time”. Mr. Iverson stated that the Net Present Value (NPV) to LMVA for the cost of the project is \$11,839,293 using the 15 year variable LRP and the NPV to LMVA using the 25 year variable LRP is \$11,854,216. Mr. Iverson stated that selecting the 15 year option will save approximately \$15,000 over the life of the loan. Mr. Iverson presented several graphs in regard to the options and discussed the pros and cons of each option. Mr. Iverson stated that staff recommends the 15 year LRP option due to the least amount of cost upon inception and least impact on Association (initially) and also presents the best net present value. Dale Tarkington made a motion to approve the 15 year LRP as the funding option for the APW project. Second, Fred Mellenbruch. Vote 5-0-0.

**Adjournment:** There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 4:41 PM.

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