

**LAKE MISSION VIEJO ASSOCIATION  
BOARD OF DIRECTORS MEETING  
February 09, 2016**

**MEETING:** Upon notice duly given and received, this 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 7:00 PM.

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

**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, A. Virdinis, G. Millikan, G. Virdinis, R. Heimann, N. Schmidt, A. Kotnik, W. Broadhag, T. Hoadwonic, C. Rochon, C. Grayce, G. Golick, J. Licha, J. Burkeigh, A. Cook, G. Coniglio, M. Bender, D. Steele, R. Bassolino, K Abele, A. Edwards, W. Halagarda and N. Michaels.

**Minutes:** Fred Mellenbruch made a motion to approve the minutes of the January 12, 2016 Board Meeting. Second, Dale Tarkington. President Kevin Pennington stated that he had a correction on page 3, second paragraph regarding Election reform. Mr. Pennington stated that he felt there was too much narrative in the paragraph. Mr. Mellenbruch amended his motion to remove the paragraph starting with "Attached is the revised..." Mr. Tarkington seconded the amendment. Vote Carried 4-0-0. Treasurer Bill Ernisse was not in attendance at the February 09, meeting.

**Members Forum:** LMVA member and former Board member Sid Wittenberg announced that he was moving out of the community.

**Delegates Forum:** LMVA delegate Kathryn Abele asked about the 2016 concert schedule.

**Special Presentations:** None

**Directors Report:** None

**Treasurer's Report:**

In the absence of Treasurer Bill Ernise, President Kevin Pennington stated that the Lake Mission Viejo Association financial statement through January 31, 2016 were available for members in print form.

The Lake Mission Viejo Association financial statement through January 31, 2016 shows:

Actual revenue	\$ 558,819
Gross Income	556,562
Actual Operating Expenses	444,037
Net Income	112,525
Budgeted Net Income	34,192
Total Investments	7,394,133
Total Operating Cash on Hand	1,646,157
Interest Income	5,826

- Accruals (not including payroll) equal \$7,887 for the month.
- In the last 12 months we have written off \$10,077 in bad debts Actual revenue \$ 6,903,188

**Committee Reports:**

**Landscape Committee:** None

**Election Reform Committee:** Committee Chair Dave Kerr reported that the Election Reform Committee met on January 20<sup>th</sup>, 2016 to consider the 10 "Clean-Up" amendments proposed by LMVA counsel as requested by the Board of Directors at the January meeting. Mr. Kerr stated that he would have more information in regard to recommendations from the committee in Old Business.

**Long Range Planning Committee:** Committee Chair Diane Hufstedler stated that work was progressing on the Elevator/Tackle Box project and that there was meeting scheduled with the architect on Thursday, February 11<sup>th</sup>.

**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**

### **i. Follow up from Delegates Meeting**

Administrative Manager Dave Kerr stated that a quorum of the voting power of the association was present at the Special Meeting of the Delegates and that the Bylaw Amendments were approved with 52.8% of the votes cast by the Delegates to approve the Bylaw amendments.

### **ii. Bylaws clean-up / next steps**

Administrative Manager Dave Kerr stated that the Election Reform committee endorsed 9 of the 10 clean-up amendments proposed by LMVA counsel. The committee reiterated their opposition to Item #2 (empowering the Board of Directors to appoint a Delegate to fill the balance of a term of a vacant Delegate District). Mr. Kerr stated that the committee feels that it important for the members to elect Delegates in their own districts.

A general discussion took place among the Board members as to action in regard to the next steps to be taken regarding bylaw clean-up amendments. Dale Tarkington recommended placing action regarding these amendments on hold until recruitment of more delegates. Mr. Pennington stated that he felt the Board should review the recommendations of the Election Reform committee and clarify Board action prior to calling for another Special Meeting of the Delegates for consideration of the amendments. Mr. Mellenbruch stated that he was concerned about the length of a meeting with 10 amendments to be considered and thought the Board should break up the issues into several pieces for consideration by the delegates. Mr. Mellenbruch stated that he was particularly concerned combining this meeting with the Board election. Delegate Marty Bender asked for clarification that amending the bylaws would still require a 51% quorum. Mr. Kerr confirmed that amending the bylaws would still require a 51% quorum of the voting power of the association. Mr. Pennington called for tabling action on the amendments until further meetings. Fred Mellenbruch made a motion to table action on the amendments to the bylaws until a later date. Second, Dale Tarkington. Vote Carried 4-0-0.

## **New Business**

### **APW Agreement with SMWD**

Kevin Frabotta stated that staff recommended postponing approval of the APW Agreement until SMWD considers approval the project on February 19<sup>th</sup>. Diane Hufstedler made a motion to hold a meeting on February 23<sup>rd</sup> to approve the agreement. Second, Dale Tarkington. Mr. Tarkington stated that he wanted to see the terms finalized including financing for the project prior to the 19<sup>th</sup> meeting at SMWD. A general discussion took place regarding timing of a meeting to approve the contract. Ms. Hufstedler reaffirmed her request for a meeting on the 23<sup>rd</sup>. Mr. Tarkington suggested that Mr. Frabotta contact our water attorney (John Schatz) regarding completion of the contract with SMWD. Ms. Hufstedler recalled her motion. Mr. Pennington asked if there were any corrections to the contract to be dealt with this evening. Ms. Hufstedler

asked several questions regarding points in the contract. A general discussion took place regarding several points in the contract. Delegate Andy Kotnik asked to move the discussion to an Executive Session. Mr. Pennington stated that this item would be moved to the end of the meeting.

### **Elevator/Tackle Box design / plan approval / next steps**

Kevin Pennington stated that this item had been pulled from the agenda.

### **Party Boat refurbishments**

Operations Manager Bryant Watilo stated that staff is proposing to refurbish the two oldest party boats in the fleet. The work includes: new motors, cabling, upholstery, new Bimini tops and aluminum siding for a not to exceed amount of \$24,525.55. Expense of the project will come from Reserve Acct. 2046, Category 060 Boats. There is \$48,000 in this account line. Diane Hufstedler made a motion to approve the expense as presented. Second, Fred Mellenbruch. Vote Carried 4-0-0.

Operations Manager Bryant Watilo stated that with the savings from refurbishment on the two boats rather than purchasing new boats, staff is proposing to refurbish two backup party boats as well. These boats could be placed into service as “first come first serve” basis during our busy season. Staff recommends refurbishing these two backup boats for a not to exceed amount of \$24,525.55 with funds to come from Reserve Acct. 2046, Category 060 Boats (\$23,474.45 and Reserve Acct. 2046, Contingency (\$1,051.10). Diane Hufstedler made a motion to approve the expense as presented. Second, Fred Mellenbruch. Vote Carried 4-0-0.

### **East Beach Parking Lot Lighting engineering proposal**

Operations Manager Bryant Watilo stated that now that the North Beach Parking Lots Lighting project is complete, staff has turned attention to lighting in the East Beach facility. Staff is proposing to develop a plan using the same lights and heights used at North Beach. Staff recommends awarding a contract to Ness Eclectic, Inc. for a not to exceed amount of \$7,100.00 to develop a plan that meets all city requirements with funds to come from account 2045 Capital Expansion. Diane Hufstedler made a motion to approve the contract as presented. Second, Fred Mellenbruch. Dale Tarkington asked about other bids for the project. Ms. Hufstedler amended her motion to approve the contract pending the receipt of additional bids and to give staff the authority to make the decision to award the contract. Second, Mr. Mellenbruch. Vote Carried 4-0-0.

### **APW Agreement with SMWD (continued)**

A general discussion took place among the Board members and General Manager Kevin Frabotta regarding various points in relation to the APW contract with SMWD including point of delivery, various issues regarding finance of the project and the cost of water. The Board agreed to call for a special meeting when SMWD provides financing details to the contract for the purpose of signing the agreement. Mr. Frabotta stated that the contract is ready to go just without the finance portion. Dale Tarkington stated that he wants to see the agreement prior to the SMWD meeting. The Board gave Mr. Frabotta direction to research the financial details

with SMWD staff and call for a special meeting prior to the SMWD meeting where the contract will be presented.

**Adjournment:** There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:53 PM.

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