LAKE MISSION VIEJO ASSOCIATION
BOARD OF DIRECTORS MEETING
July 14, 2015

MEETING: Upon notice duly given and received, this meeting of the Lake MissionViejo Association Board of Directors was held at the Lake Administration Building. The meeting was called to order by Kevin Pennington at 7:02 PM.

Board Members Present:

Kevin Pennington, President
Dale Tarkington, Vice President
Fred Mellenbruch, Treasurer
Diane Hufstedler, 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 Clerk

Others Present: J. Sperber, N. Schmidt, C. Kelly, B. Perches, A. Edwards, S. Edwards, R. Simenz, G. Virdinis, A. Virdinis, G. Millikan, K. Abele, J. Stevens, W. Halagarda, W. Broadhag, A. Kotnik, J. Anchell, R. Heimann, P. Coyle, A. Waugh and M. Bender.

Minutes: Diane Hufstedler made a motion to approve the minutes of the June 09, 2015 Board meeting. Second, Dale Tarkington President Kevin Pennington stated that the June 09 minutes should be amended under New Business, Approval of URS Geotechnical Monitoring Corp. to correct spelling of Diane Hufstedler's name to "Diane" Vote Carried 4-0-1. Bill Ernisse was not present at the meeting.

Members Forum: None

Delegates Forum: Walt Halagarda, Nancy Schmidt and Pat Coyle addressed the Board.

Executive Session: President Kevin Pennington stated that an executive session was held prior to the July 14th meeting.

Directors Report: None

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

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

Actual revenue	$ 3,390,056
Gross Income	3,366,087
Actual Operating Expenses	3,244,921
Net Income	121,166
Budgeted Net Income	17,089
Total Investments	8,170,546
Total Operating Cash on Hand	799,113
Interest Income	17,664*

- Accruals (not including payroll) equal $74,201 for the month.
- In the last 12 months we have written off $25,047 in bad debts.

*Interest income is YTD total excluding prior year adjustments

Special Presentations: None

Committee Reports:

Landscape Committee: A general discussion took place regarding conversion of additional landscape areas to drought tolerant material. Dale Tarkington stated that he would like to see a cost estimate for landscape design regarding the slope area from the North Beach entrance to the Clubhouse. The Board asked staff to obtain a cost estimate from RJM Landscape Design to provide landscape design plans for the area.

Election Reform Committee: Chairman of the Election Reform Committee Dave Kerr presented the three recommendations from the committee for the Board to consider for action regarding election reform:

1. Require delegates to own a home in any district that they represent.

2. Lower the quorum requirement for the annual meeting to 25% of the voting power of the association. Keep a higher quorum requirement for Special Meetings of the delegates (in case of recall elections or other controversial issues).

3. Have counsel review and eliminate outdated language (all of the Grantor references are one example) that appears in the current version of the bylaws.

The Board asked staff to research attorney costs to review the Bylaws for outdated language and assist with holding a meeting of the delegates to consider and vote on the three points presented by the committee.

Long Range Planning Committee
Chairperson Diane Hufstedler stated that she planned on having a meeting in September after the 2016 budget planning was complete. Fred Mellenbruch stated that we already have priorities stated in the Long Range Plan as a "living document". Ms. Hufstedler stated that the 1st priorities of the Long Range Planning Committee were: The elevator to the Board Room, Conversion of the Tackle Box retail and rental office and the turn-around area in the Administration parking lot. She stated that these projects were put on hold with the Golden Algae, fish restocking and water issues. Kevin Pennington stated that we have an understanding of the fish restocking, we do not have a cost to control Golden Algae and the water project is underway. Fred Mellenbruch stated that we should get prices for the 3 projects that are 1st priorities. Ms. Hufstedler stated that she would request that action on these items be put on the agenda for August of 2015.

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

Old Business: None

New Business: Approval of Well pump and motor replacement
Dale Tarkington made a motion to approve the cost to replace the Farmhouse Well pump and motor that had failed during the past week at a cost not to exceed $40,500 with expense to come from Reserve Account 5046, Category 170. Second Diane Hufstedler. Vote Carried 4-0-0.

Approval of Certificate documenting 2000 By-Laws Amendment
General Manager Kevin Frabotta explained the reasons for the approval of a certificate documenting the 2000 By-Law amendment changing the Board of Directors term of office from 1 year to 2 year staggered terms. Mr. Frabotta stated that an exhaustive search had uncovered ballots and a notice in the LMVA newsletter referencing the by-law change but no resolution.

Fred Mellenbruch made a motion to approve the resolution to ratify the by-law amendment from 2000. Second, Dale Tarkington. Vote Carried 4-0-0.

Adjournment: There being no further business, this meeting of the Lake Mission Viejo Association was adjourned at 8:38 PM.

Attest**:** _____, Secretary