



**MINUTES OF A REGULAR MEETING
CONDUCTED BY THE BOARD OF DIRECTORS
JULY 10, 2019**

The Regular Meeting of the Board of Directors of the Lake Forest II Master Homeowners Association, a California non-profit, mutual benefit corporation, was held on Wednesday, July 10^{*}, 2019, at the Lake Forest Sun & Sail Club, 24752 Toledo Way, Lake Forest, CA 92630.

** For July, the monthly Board meeting was rescheduled from its usual first Wednesday of the month (July 3rd) to the July 10th date to avoid conflict with the planning and preparation for the July 4th festivities hosted by LF II at the Sun & Sail Club.*

The newly elected Board members for the 2019/20 term were administered their Oath of Office.

[Prior to the Regular Meeting, the Board of Directors held an Executive Meeting which convened at 5:38 pm, and adjourned at 6:18 pm, to approve the Minutes of the June 5, 2019 Executive Meeting, to consider homeowner appeals of MAC application denials, Hearing Board fines related to CC&R violations, and to discuss other CC&R violation cases, collections, and personnel and legal matters.]

I. CALL TO ORDER

Board members in attendance at Call to Order were President Jim Richert, Vice President Dennis Freed, Treasurer Tom Ludden, and Directors Paul Coulter, Jolene Fuentes, Justin Kirk and Sonny Morper*.

** Director Morper was not physically present at the meeting, but was a full participant via telephone conferencing.*

Staff members present were General Manager Alisa Woolsey, Finance Manager Cindy Christenson, Community Services Manager Jenny Mucha, Recreation Manager Argelia Jimenez, Maintenance Manager Bud Finch and Recording Secretary Bruce Cook.

The meeting was called to order by President Richert at 7:00 P.M.

II. 2019/20 BOARD ORGANIZATION

A. SELECTION OF BOARD OFFICERS

General Manager Woolsey reported that the 2019/20 Board, at their Organization meeting on June 12, 2019, selected officers to the Board as follows:

- President | Jim Richert
- Vice President | Dennis Freed
- Treasurer | Tom Ludden
- Secretary to the Board | Alisa Woolsey

Action: Receive & File

B. COMMITTEE LIAISON ASSIGNMENTS

General Manager Woolsey reported that the 2019/20 Board, at their Organization meeting on June 12, 2019, appointed the Board Liaisons as follows:

- MAC | Dennis Freed & Sonny Morper
- Hearing Board | Paul Coulter

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- Budget & Finance | Tom Ludden & Justin Kirk
- Mainsheet | Jim Richert
- Lake Forest Keys | Jolene Fuentes
- Ad Hoc Pickleball Committee | Dennis Freed & Sonny Morper

Action: Receive & File

C. COMMITTEE LIAISON REPORTS

None.

Action: None

III. RESIDENT'S COMMENTS

A Serrano Woods H/O who has commented before about the Serrano Woods Board not complying with their architectural guidelines addressed the Board as to the current status.

General Manager Woolsey responded that both Boards and management teams have been in communication, and lawyers from both sides are still in engagement. President Richert added that this is a matter we [LF II] are aware of, want to resolve, and are working on it as best as circumstances allow.

Action: None

IV. CONSENT CALENDAR

The Consent Calendar for the May Board Meeting consisted of the items as follows:

- A. 2018-2019 BOARD OF DIRECTORS GOALS (with updated status report);
- B. RESERVE PROJECTS STATUS REPORT;
- C. APPROVAL OF RESERVE PURCHASES:
 - 1. \$4,540.00 from Dept 68 for concrete walkway repair;
 - 2. \$2,156.75 from Dept 68 for new fan/motor for the CoGen system;
 - 3. \$3,840.00 from Dept 68 for new heater for the Exercise Pool;
 - 4. \$2,147.07 from Dept 68 for play structure repair in the Tot Lot;
 - 5. \$3,350.00 from Dept 78 (The Woods) for soil erosion development plan proposal;
- D. MINUTES OF BOARD OF DIRECTORS MEETINGS:
 - 1. June 5, 2019 Regular Meeting;
 - 2. June 12, 2019 Board Organization Meeting;
- E. FINANCIALS & INVESTMENT SUPPLEMENT REPORT: MASTER ASSOCIATION | MAY 2019;
- F. FINANCIALS: LAKE FOREST KEYS ASSOCIATION | MAY 2019;
- G. APPROVAL OF PROSPECTIVE LIENS | RECORDATION OF LIENS PER CA CIVIL CODE;
- H. APPROVAL OF LITIGATION BY ALTERRA FOR ASSESSMENT RECOVERY;
- I. LEGAL UPDATE:
 - 1. Pending HOA Legislation;

President Richert pulled Item I (Legal Update | Pending HOA Legislation) as he had questions on the item. The Board took action on the balance of the Consent Agenda (Items A – H).

Action: Resolution No. 19-39

It was moved by Director Fuentes, and seconded by Director Coulter, to approve the balance of the Consent Agenda (Items A-H), as submitted. Motion carried by 7-0 vote.

Discussion turned to Item I (Pending HOA Legislation) of the Consent Agenda. President Richert questioned if there was anything to do or any actions to be taken by the Board on any of the pending legislative bills presented in the staff report. General Manager Woolsey responded that based on the

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Board's positions on these bills, she has already sent the appropriate response letters in the name of LF II.

Action: Resolution No. 19-40

It was moved by President Richert, and seconded by Treasurer Ludden, to approve Item I, Pending HOA Legislation, of the Consent Calendar, as submitted. Motion carried by 7-0 vote.

V. **ACTION ITEMS**

A. **PICKLEBALL | PROJECT UPDATE & COMMITTEE RECOMMENDATION**

General Manager Woolsey updated the Board on the status of the long-discussed pickleball project intended to add additional pickleball courts to the Club amenities. Based upon community input, the Pickleball Commission has decided to focus on the "Upper Courts" off of the Lake Forest Drive driveway onto the Clubhouse grounds. This assessment was made because regardless of additional pickleball courts or not, there are several issues that need to be addressed on the upper courts:

- 1 court (Court #3) is now unusable due to surface disrepair that cannot be corrected by patch/repair of the current surface, but requires surface removal and laying of new material;
- The electrical/lighting system is old, outdated, resource wasteful and inefficient;
- The "Pro Shop" is old, outdated, in disrepair and needs to be replaced;
- Due to safety concerns, there is a need for a restroom on the upper courts to enable players to make use of without having to "run across the driveway";
- The walkway to and surrounding the courts needs to be redone to be ADA compliant.

As the above-listed projects all need to be done whether pickleball courts are constructed or not, the addition of new pickleball courts during the construction of the upper court rehabilitation project will take advantage of the *economies of scale* of the already mobilized resources for the rehab project. These *economies* will proportionally reduce the cost of construction of any additional pickleball courts. In consideration that the location of any new pickleball courts on the upper courts would be the least impactful and most cost efficient, the Pickleball Committee has recommended that the new pickleball court additions be located on the upper courts.

Will McBurney of 24 HRC, the professional design firm assisting the Pickleball Committee in their alternatives review, spoke before the Board to provide a more detail view of the concept plan. The concept plan addresses all of the above issues.

Following presentation of the concept plan, discussion ensued amongst the Board as to the next steps for the pickleball project/committee recommendation. The consensus of the Board was they need more detailed information as to the line item component cost of the project. With this more detailed list they would have a better understanding of what is fundable using Reserves versus what would require capital expenditure.

Action: The Board directed the reinstatement of the Pickleball & Tennis Project Committee to meet and discuss the proposal, and also to submit the proposal to the Budget & Finance Committee for funding review. The Board will follow up on this proposal at the August Board meeting.

Note: At this point in the meeting, Director Sonny Morper terminated his conference call, and no longer participated in matters for the duration of the meeting from this point forward.

B. **FITNESS CENTER | AGE RESTRICTION RULE CHANGE**

General Manager Woolsey reported that this past January, the Board approved, on an interim trial basis only, a change to the Fitness Center rules as to the age restrictions requirements to be able to use the Fitness Center. The prior rule was to restrict use to members 18 or older, with members 14-17 years only able to use the Fitness Center if accompanied and supervised by a parent or legal guardian. The rule change now permits Fitness Center use to those members 16 or older, and for those 14-15 years of age, to use the Center, they would need to be accompanied and supervised by a responsible adult. This rule change was for a 6 month trial period only (Jan – Jun, 2019), to be reevaluated at the July 2019 Board meeting.

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Discussion ensued. Some Board members, while acknowledging that up to this point the rule change has been in operation without complaint or incident, were nevertheless reluctant to make this rule change permanent without further evaluation through the summer months when 16-17 year olds are out of school.

Action: Resolution No. 19-41

It was moved by Treasurer Ludden, and seconded by Director Fuentes, to approve the motion to extend the rule change, on a trial basis only, through the end of the year, to be re-evaluated at the January 2020 Board meeting. Motion carried by 6-0-1 vote, with Director Morper absent.

C. 2019/20 BOARD OF DIRECTORS GOALS

The Board was provided their 2018/19 "Board Goals" as the starting point of discussion for Board Goals for 2019/20. The Board reviewed the 2018/19 Goals and discussion ensued as to their thoughts for the 2019/20 Goals. There was general concurrence that they would need more time to consider this matter.

Action: This matter was deferred to the August Board meeting.

D. MONEY MOVES

Finance Manager Christenson reported on the status of various monetary funds.

Operating Funds - the Comerica Cash Account is approaching \$250,000, and the recommendation is to withdraw \$100,000 from the account to be deposited into the Mutual of Omaha payroll account.

Forest Creek (Dept 70) Reserves: - a number of maturities are soon coming due, and the recommendation is to:

- Invest \$150,000 in a 2-yr CD after the maturation of the \$248k CD on August 23rd;
- Invest \$100,000 in a 3-yr CD after the maturation of the \$248k CD on August 23rd;
- Retain \$41,365 plus interest in the money market account;

Action: Resolution No. 19-42

It was moved by Treasurer Ludden, and seconded by Director Kirk, to approve the motion to reallocate "Operating Funds" per the staff recommendation. Motion carried by 6-0-1 vote, with Director Morper absent.

Action: Resolution No. 19-43

It was moved by Treasurer Ludden, and seconded by Director Kirk, to approve the motion to reallocate "Forest Creek (Dept 70) Tract Reserve Funds" per the staff recommendation. Motion carried by 6-0-1 vote, with Director Morper absent.

VI. INFORMATION ITEMS

None.

Action: None

VII. OPEN DISCUSSION

None.

Action: None

VIII. ADJOURNMENT

President Richert adjourned the meeting at 8:15 P.M., to the next regularly scheduled Board meeting on Wednesday, August 7, 2019 at 7:00 P.M.

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LAKE FOREST II MASTER
HOMEOWNERS ASSOCIATION:

Jim Richert, President
Board of Directors

ATTEST

Alisa Woolsey, Secretary
General Manager