

Approved Minutes of the Regular Meeting on March 20, 2010

BLUE LAKE SPRINGS HOMEOWNERS ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

DIRECTORS PRESENT: President Frank Hengel; Vice President Dave Ryniec; Secretary Harry Tittle; Treasurer Teresa Rossi-Clay; Directors Doug Rischbieter and Angela Logan.

DIRECTORS ABSENT: Director Silcox joined the meeting by telephone for the Closed Session.

General Manager: Tony Abila

Assistant General Manager: Marsha Hampton

1. **Member/Guest Introduction:** Art Blevins, Lot 172, Unit 12; Larry & Bobbie Haskell, Lot 731, Unit 5; Alice Hengel, Lot 127, Unit 2; Bev & John Vasquez, Lot 182, Unit 10; Marilyn Larson, Lot 119, Unit 13; Kaaren & Clint Babb, Lot 620, Unit 5; Don & Mary Peterson, Lot 151, Unit 11; Daniel Faulkner, Lot 26, Unit 10; Norm & Anne Friborg, Lot 785, Unit 7; George Paul, Lot 140, Unit 11; Sherry Tittle, Lot 12, Unit 1; Joe & Lucy Morgan, Lot 282, Unit 2; Ed & Michele Stahlberg Lot 128, Unit 10; Tom & Marie Jones, Lot 785, Unit 7; Gene & MaryAnn Shukait, Lot 301, Unit 2.
2. **Member/Guest Forum:** A member's response to the 'Member to Member' article in the March/April Lodge Log is summarized as follows:
Full time and part time retired members volunteer their time to be Board Members or take on the jobs that provide a lot of the BLS activities so those members who cannot volunteer due to the demands of work and children can enjoy all the amenities that Blue Lake Springs has to offer. Those volunteers are not "taking over" as stated in the article. The member also pointed out that all the amenities cost money, not just the restaurant, but "where else can you enjoy what we have for \$373/year". The member encouraged the author of the "member to member" article to take part in some of the activities to see the results of all the planning and work the volunteers do.
3. **Approval of Minutes:**
 - a) Approval of Minutes for the February 20, 2010 Regular Meeting:
Director Rischbieter made a motion to approve the Minutes of the Regular Meeting on February 20, 2010 as corrected. Treasurer Rossi-Clay seconded the motion. The motion passed unanimously.
4. **President's Report:** President Hengel thanked Vice President Ryniec for his leadership over the last two months.
5. **General Manager's Report:**
 - a) Operations Review: Manager Abila reported that there has been progress in the removal of dead trees by owners.
Manager Abila reported that the process of obtaining a Fish Stocking Permit is continuing.
 - b) Arts of Bear Valley Claim: **Secretary Tittle made a motion to approve a payment to Arts of Bear Valley of \$375 for the payment of two damaged paintings. Vice President Ryniec seconded the**

Motion. The motion passed unanimously.

- c) **Fining Policy:** This Policy was adopted in 1999, but was not assigned a Policy Number. The Board instructed management to give the Policy a number and have the Tax Exempt Committee review the Policy for its validity. Director Rischbieter clarified that to just view that Policy in the context of the Association's tax-exempt status was to take it out of context. He pointed out that the Association has no authority to levy fines, nor enforce the CC & Rs other than in the matter of dead trees. He cited the CC & Rs and California Civil Code section 1363(j).
- d) **Fly In Foot Bridge:** The lowest bid received was significantly more than the budgeted amount; further discussion was tabled until Manager Abila can obtain additional information.
- e) **Removal from Reserve List of walkway and parking lot sealant:** The Board decided to leave this item on the Reserve List, in part due to the total cost of this recurring item.

6. Financial Report, Treasurer: Treasurer Rossi-Clay gave the following report:

- a) **Financial Review for the two month period ended 2/28/10:** Gross profit is under budget by \$16,000. Expenses are over budget by about \$7,000 for a net variance from budget of (\$23,000). There were brief discussions regarding some of the Income variances and the anticipated Expense variance for February.
- b) **Status of the 2009 Audit Reports and Management Letter(s)-Management Update:**
Manager Abila reported that he will receive the Audit Report by the end of March, and it will be included in the Second Mailing on April 28, 2010.

7. Committee Reports:

A. Finance: No report.

B. Summer Recreation: No report.

C. Winter Recreation: Secretary Tittle gave the following report:

- a) The Texas Hold Em was very successful and generated additional revenue for the Restaurant. The players also donated money for the purchase of tables and additional money to be donated to Ebbetts Pass Elves.

Secretary Tittle made a motion to approve the donation of \$305 to the Ebbetts Pass Elves. Vice President Ryniec seconded the motion. The motion passed unanimously.

D. Marketing: No Report.

E. Personnel: No Report.

F. Architectural Review/CC & Rs:

- a) **Status of ARC reviews:** Director Rischbieter reported that there were two applications submitted for review.
The BLSMWC is still reviewing one application and the other is a review for a commercial sign.

Additional information is necessary before the ARC can determine how to proceed with the latter.

G. Facilities: Manager Abila reported that the sign at the restaurant entrance has been taken down to be repainted.

H. Long Range Planning Committee: Vice President Ryniec reported that the Committee's goal is to bring a report to the Board at the May meeting.

I. EPPOC:

a) Minutes: Vice President Ryniec gave the following report:

Tim Cline, an insurance agent spoke about insurance options for HOAs.

Patricia Clarey & David Vosti from the United States Forest Service spoke about stimulus money that will be used to upgrade the Union Utica area.

J. Tax Exempt: Director Rischbieter, in reference to the Minutes of the Tax Exempt Committee, stated that Architectural Review Committee is not an agent of this corporation. The ARC is an agent of the property owners collectively ("Declarants").

Director Rischbieter questioned whether it is appropriate for the security staff to do cabin checks as directed in their job description. General discussion concluded that the "Security" job description should be revised.

8. Old Business: None.

9. New Business:

a) Additional Reserve Fund and Assessment Study Reporting Requirement for 2010 (Civil Code 1365.5) to disclose the percentage of interest expected on funds and the long term inflation rate used in calculations per year: Treasurer Rossi-Clay advised the Board that there is an additional disclosure requirement in 2010 stated in Davis/Stirling, to report the percentage of interest expected on funds and the long term inflation rate used in calculations per year.

10. Member Comments: A member asked the Board President if any Board Member has formally filed a lawsuit against Blue Lake Springs in regards to paying dues or is any Board Member a party in a lawsuit that has been formally filed. President Hengel stated, "No".

A member asked if the correspondence letters between attorneys have been made public. President Hengel stated, "No, not at this point." He further stated that although the Board would like to let the members know what is going on, there is an issue of attorney/client privilege that the Board must adhere to at this point.

11. Correspondence: Manager Abila stated that Member correspondence has been answered.

President Hengel adjourned the Regular Meeting to Closed Session at 10:50 a.m.

12. Closed Session:

- a) Review correspondence from attorney and consider judgment of protest:
Director Rischbieter excused himself from the Closed Session after the first 5 minutes.
Director Silcox then joined the meeting by teleconference.

A motion was made and seconded that the Board concur with the Association's legal advice to reject member claims protesting 2010 dues assessment of multiple owned undeveloped lots. The motion passed five ayes, one nay.

13. Adjournment: President Hengel adjourned the Meeting at 11:54 a.m.

Respectfully Submitted,
Marsha Hampton, Recording Secretary
Approved for Posting: April 17, 2010