

Approved minutes of the regular Board of Directors meeting October 17, 2020

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

1. **Call to order:** 9:03am
2. **Roll Call:** Directors Present: President Doug Hjelmhaug, Vice President Mike McAtee, Treasurer Joanne Schultz, Secretary Dale Ward, Director Steve Pollack, Director Jimmy Cooke and Director Roxanne Dubois (via zoom). Staff Present: General Manager- Tony Abila & Assistant General Manager- Amber Meyer
3. **Member/Guest Introduction/Comments:** 38 Members attended the meeting via Zoom. Members questions were submitted prior to the Board meeting and read by Manager Meyer. Some questions/concerns were regarding the rezoning of the Fly-In Park property, the impact of renters/guests on the facilities, addressing ADA concerns, construction noise on the weekends, and problems with vacation rental properties. The hours of the facility were also discussed.
4. **Approval of Minutes of the Regular Board Meeting September 19, 2020 meeting:** Treasurer Schultz moved to approve the minutes of the September 19, 2020 regular board meeting. Director Cooke seconded the motion. The motion passed unanimously.
5. **Presidents Report: President Hjelmhaug gave the following report:** Greetings from Blue Lake Springs. October is a beautiful time of year in our community with fall foliage in bloom, and the colors of the oaks and maple trees. I would suggest a trip to Calaveras Big Trees State Park if you are in the area, it is a beautiful time of year to see the dogwoods. As beautiful as the month of October is, it is also the peak of fire season in our area. Due to extremely dry conditions and seasonal high winds, it is very important the membership stays focused on fire prevention activities within the subdivision. There will be an additional lot inspection that will take place in October to identify areas that may pose a fire risk to our community. Included in this month's lodge log is an article by Thomas Hein, who is the Blue Lake Springs Fire Prevention Coordinator. I encourage everyone to read the article. Thomas will be present at today's meeting to update us on fire prevention activities and to answer questions. We have had a series of thefts at the BLS facilities this past month. Trees have been stolen from Fly-In Park on more than one occasion. We have had a boat stolen as well as a disc golf mat, and gas syphoned from maintenance vehicles. All of these incidents have been reported to the Calaveras County Sherriff office, but we ask that if you observe suspicious activity at or around both Fly-In lake and Snowflake Lodge facilities please let the Management know. The finance committee has continued to meet weekly for the last few weeks to put forward the budget for 2021. Due to the uncertainties of the year ahead, expense management is a top priority. Capital Improvements for 2021 will be kept at a minimum. The goal for the finance committee was to have a budget completed and available for approval by the Board of Directors at the October meeting. We have met that goal, and will be discussing and looking to approve the 2021 budget today. Thank you.

6. Manager's Report: Manager Abila reported

- Delinquent Accounts: Staff has collected over \$15,000.00 is past due assessment since making collection calls.
- CC&R: Current report was included in Board Book
- ARC Update: Variance request for installation of shed included in Board book for review and approval. **Vice President McAtee moved to grant variance request for a member for shed installation. Secretary Ward seconded the motion. The motion passed unanimously.**
- Policy 500-A-39 Use of Media for attendance at board meetings: Included in the board books is a draft policy for board review and input. Once all board members have given their input, management will place the subject on the November meeting agenda.
- Attorney letter: The Association was copied on a letter from an attorney representing a family that had rented in BLS over the summer. The family was demanding a refund from the realty company for not being able to use the facilities (as renters). The realty company failed to disclose the 2020 rules regarding County mandated limits on occupancy, and the facility being open to only members due to the pandemic. Management contacted the Associations Attorney to ensure there was no liability for the Association, and as expected there is not. This remains a matter between the renters and the rental company.
- Fly-In Park: Once Lodge Lake is drained staff will prepare Fly-In Lake for draining. Letters to downstream owners will go out the week of the 20th.
- Lodge & Lake Area: Staff will be preparing to drain Lodge lake in the next week.
- Pool Retaining Wall: Included in the board book is a first bid for the pool retaining wall. The Associations architect is currently drafting plans and will send them out to engineer once drafted.

7. **Treasurers Report:** Treasurer Schultz reported the following: Good morning. The finance committee met on Thursday the 15th and reviewed financial statements. The finance committee, as does the HOA Board, takes very seriously the finances of the HOA, and we monitor them very closely. We reviewed all of the financial statements (balance sheet, revenue to expense, transaction reports and bank statements). The HOA is still showing a net income at this point of about 66k after the accrual of the asset replacement is entered. There were a number of small adjustments that we talked about as a committee, but they were minor and we are expecting to see those adjusted for the next report. Accounts receivable or collections as you heard is moving forward. The PPP loan forgiveness paperwork is in process and will be filed before the October 31st deadline. We discussed closing two additional bank accounts that are no longer in use. After examining of the balance sheet, revenue and expense statements, transactions, and bank statements I recommend certification of the financial reports for the month of September. **Secretary Ward moved to approve certification of the September financials. Director Pollack seconded the motion. The motion passed. Director Dubois abstained from the vote.**

2021 Budget review and approval- Treasurer Schultz reported the following: One of the primary responsibilities of the board is the budget. It is how the Board monitors and holds management accountable. The Budget before the board is very much like budgets that have been prepared for 30+ years, and maybe even longer. It has served the HOA very well in that time. The purpose of a budget is to anticipate the expenditures of an organization, and to assess if the projected revenue will be sufficient to cover the costs. While the budget process was adequate for that designated purpose, it has become clear that more granularity is needed. This budget does not go as far as we would like it to go, but it is a beginning for the new methodology for preparing and monitoring the expenditures of the HOA, and making sure the expenses are assigned to the appropriate functions. Members of the finance committee and management will work with CID to make sure the desired changes are implemented within the financial statements as well as within the budget. We are not where we want to be yet, but we are moving in that direction. These are the general assumptions that we used in preparing the 2021 budget: a) the annual assessment would be held at \$772 b) included in the budget would be 7.69% increase in CA minimum wage c) Assumed all positions would be filled. We have budgeted for every single position to be filled, in hopes we will be able to. d) Management will not be accepting salary increases for 2021 e) Increases in insurance costs e) Holding 2021 projects to a minimum. f) loan payments have been removed g) contingency budget of 98K h) critical replacement of the culvert is in the budget at 100k. i) costs of goods sold has been budgeted at 35% (recommendation from the restaurant committee). There asset reserve account is currently funded at 64%. The total income for the HOA, keeping assessments the same as they were in 2020, there will be an annual income of \$1,952,518 estimated revenue, and estimated expenditures at \$1,950,892, giving us an operating surplus of \$1,626.00. **Director Pollack moved to approve the 2021 Budget as presented. Director Cooked seconded the motion. The motion passed unanimously.**

8. Committee Reports:

A. Summer Recreation: No report

B. Restaurant Committee: Treasurer Schultz gave the following report: This was a very hard working committee, and we achieved a great deal in a short amount of time. I want to thank each and every member for their contributions. We did not always agree, and there were many differing opinions, but it came together in a very good report that will have far reaching implications. Is the end all and be all? No. But I am very excited to see where this can go from here. I also want to thank the 405 members that participated in the survey. Your input, along with the committee input went a long way to inform the Board on the qualities that were needed for the chef. Some of the committee thought that we were cut short, others thought that we should recommend the restaurant not open until March 2021, others felt the report was too positive, some felt we should have done more, and yet others were very proud of the work we did and the product we are about to deliver. Our call was to provide input on cost containment and revenue enhancement, and I believe that we did that. My own concern, was that the budget planning process for the HOA was already underway for 2021, and if we delayed recommendations, we would be too late for

them to be considered. I did manage to push in the 35% cost of goods sold that was a committee recommendation. The other recommendations that are in the report have not been looked at or approved by the Board yet. There are a great many member comments from the survey, and they will be available to anyone interested in reading them once the final recommendations are approved by the Board. The survey results will also be published in the Lodge Log at a later date. There were 118 original committee recommendations, that were distilled down to the 16 that made it to the report to the Board. There were only 2 respondents of the 405 that wanted to see the restaurant close. Most of the contributions were positive, and indicated that people really wanted to assist in improving the restaurant. Because the report itself is 35 pages, it will take the board some time to digest it. Today we are presenting the recommendations, but there will be a separate Board meeting to discuss and determine which recommendations to accept or remove, and which ones to move on now, or hold/delay. The special meeting of the board to discuss the restaurant committee report will be publicized to the membership and will be an open meeting.

C. Events Committee: No report

D. Architectural Review: Variance request already addressed in GM report

E. Facilities/ Long Range Planning: Vice President McAtee gave the following report: The LRP committee met on October 15th. The committee will be researching different avenues for virtual meetings. A rowing machine will be purchased for the gym in 2021. In Spring of 2021 the committee is considering having a “green thumb” day which would require volunteers, at the entrance to the subdivision on Moran road. The repair of the culvert under the tennis court will be scheduled for Spring 2021. We have a bid for approx. \$100k, although the bid is old and will need to be updated to ensure the cost is accurate. A new POS system will be installed at Fly-In lake for next summer season. The trees that were stolen at Fly-In should be replaced this month. It appears the thieves came in on Rainy drive. There has been a fence installed in that area to hopefully prevent anyone from driving in at that point. There is a similar opening on Meadow drive, staff will be installing split rail fence as well as a gate so their utility vehicles can access the property. The parking pad idea for Fly in has been scrapped.

G. EPPOC: No report

H. Fire Prevention Program: Thomas Hein submitted the following report: In the past 30 days we have seen even more properties become compliant. In fact, almost all of the improved properties still on the list are properties that have PG&E logs and debris. The unimproved properties are still the main focus, at this time. Over 100 non-compliant BLS properties received violation letters since May 2020. There are currently 21 non-compliant properties. Out of those 21 properties, 5 are currently in front of the Board. BLS members did a wonderful job on becoming compliant in 2020. The improved properties were well taken care of. The unimproved properties were a little harder to get compliant. However, once contacted, the unimproved property owners did comply. On top of BLSHA inspections CALFIRE also did inspections on improved properties in the subdivision, and were quite strict with their violations. In September 2020, BLSHA created fuel break projects and submitted them to Bill Fullerton’s CWPP. Mr. Fullerton accepted the package and it will be put in the CWPP.

9. Old Business: a) Update on parking lot expansion- this item has been tabled and will be removed from the agenda. b) Radio repeater purchase and location- BLSHA is waiting on contract from BLSMWC regarding installation and upkeep. c) Replacement of wooden sign at entrance of Snowflake Lodge- Staff has begun construction of sign

10. New Business: a) Property rental in BLS & Association rules- After discussion, it was determined the subject would best be handled by the Long Range Planning committee to examine various CC&Rs. b) rezoning Rainy & Meadow property- currently zoned residential. Management will look into the cost and the procedure to rezone.

11. Correspondence: Received and Discussed in meeting

12. Executive Session: no closed session

13. Open Session:

14. Adjournment: 12:03pm

Respectfully submitted: Amber Meyer