



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

1. **Call to order:** 9:10 am
2. **Roll Call:** Directors Present: Vice President Mike McAtee, Treasurer Joanne Schultz, Secretary Dale Ward, Director Steve Pollock (via zoom), Director Roxanne Dubois (via zoom) and Director Rick Giorgetti (via zoom). Absent: President Doug Hjelmhaug. Staff Present: General Manager- Tony Abila & Assistant General Manager- Amber Meyer
3. **Executive Session:** CC&R violations were discussed
4. **Open Session:** 9:30 am Vice President McAtee reported on action needing to be taken against properties discussed in closed session. **Treasurer Schultz moved to add additional fines to the following APN #s 026 004 006, APN# 026 035 014, and APN # 024 007 014. Director Pollock seconded the motion. The motion passed unanimously.**
5. **Member/Guest Introduction/Comments:** 10 members attended the meeting via Zoom. 5 members attended in person. Correspondence was received and read regarding the distribution of members email addresses, one correspondence regarding SIRs information in the lodge log, and one correspondence wishing to refute claims made on nextdoor.com. There was also a correspondence regarding concerns of the recreation facility returning to pre-covid rules and how it might affect the 12 ad under population who are unable to be vaccinated at this point. One correspondence recommended making the beach closest to the dam at fly-in adults only. Questions posed in these letters were read and answered throughout the meeting.
6. **Approval of Minutes of the Regular Board Meeting May 15, 2021 meeting:** A spelling error was pointed out. **Director Giorgetti moved to approve the minutes as corrected. Treasurer Schultz seconded the motion. The motion passed with 5 yeas. Director Pollock abstained from the vote.**
7. **Presidents Report: President Hjelmhaug submitted the following report:** Greetings from Blue Lake Springs and welcome to summer 2021! We are looking forward to the lifting of Covid-19 restrictions in June, and a return to a full opening of our BLS facilities,

programs, and events. I would like to thank our BLS management and maintenance staff for preparing the facilities for the summer season. All facilities look terrific!

The Summer recreation program Spring into Summer was a major success over the Memorial Day weekend. Attendance at our facilities was very strong, with over 500 people at the main facility and over 400 at fly-in lake on both Saturday and Sunday. What a great kick off to summer! Many thanks to the eight local area Vietnam veterans who participated in the dedication ceremony for the permanent Lodge Lake flag, and also the flag folding demonstration and instruction. I believe all branches of the United States military were represented by these gentleman.

The election process for the BLS Board of Directors will begin this month. The membership will be receiving an information package which includes a voting ballot, candidate statements, and voting instructions. The deadline for returning ballots is July 16, 2021. We have three director openings and five strong candidates, so don't forget to submit your ballot!

We look forward to the full opening (100% of capacity) of the Snowflake Restaurant in mid-June. A new summer menu is now available featuring seasonal offerings, as well as a weekly special. The outdoor patio dining has been expanded, so we have more outdoor dining space than in the past. We anticipate a busy summer with the full opening of the BLS facilities, so make your dining reservations by calling the BLS office. Enjoy the Summer Season!

#### 8. Manager's Report: Manager Abila reported

- **Delinquent Accounts:** The current delinquent account list was included in the Board book.
- **CC&R Report:** Discussed in closed session
- **Election:** Annual election ballots were mailed on June 12, 2021
- **Fly-In Lake:** Unfortunately, the lake is still approximately 4 feet below capacity. The flow coming in is enough to maintain the lakes current water level, but could start to drop if the water flow slows down any more than it has.
- **Fly-In Lake Park:** Staff has commenced work on installation of fencing
- **Lodge Lake & Recreation area:** Work will begin on the new playground equipment once it arrives. Should be delivered within the next two weeks. Three new pool heaters have been installed. The board will need to adopt a resolution to have the three new pool heaters funded from the Associations Reserve fund. This will be done at the July Board meeting.
- **Restaurant Report:** The water heater stopped working on April 24<sup>th</sup>, the cost for a new tankless water heater as well as installation was \$1,500. The Board will need to adopt a resolution to have the new tankless water heater funded from the Associations Reserve fund. The resolution is included in the Board book. Manager Meyer reported the following: May was busy for the restaurant, with Memorial Day weekend capping out at 50% capacity both nights. Income was up almost \$5,000 over 2019. Guest counts are up by 100 people over last month, and slightly higher than the same month in 2019. Staffing remains an issue, although the current staff is doing its best to handle the guest flow. Chef

Kris and I continue to monitor food cost, as well as keeping a strict eye on waste and inventory. Labor has remained manageable given the lack of staff.

- **Summer Recreation:** Recreation Director Judith Anderson submitted a report to the Board with a recap of the Memorial Day weekend activities and attendance.

9. **Treasurers Report:** The finance committee met on Tuesday the 15<sup>th</sup>. We began to discuss investments, risk and an investment policy. We reviewed a recap of the monthly meeting with CID. We had a robust discussion of the restaurant; went over the transaction reports including a detail review of Amazon expenditures; reviewed the financial statements; went over the reserve assets including an addition of the waterless heater and reviewed the 2020 audit which will not be presented yet.

A sample investment policy was sent out. Dr. Schultz lead an initial discussion on new legislation, risk analysis and options for investments. The committee determined that until we know what the law is going to be, it only makes sense to wait and see what will be allowable before we move forward.

Management and the Treasurer along with Vice President met with CID and sorted out some new accounts for the restaurant. We went over several accounts that required CID review and we discussed the possibility of CID doing the budget. CID also agreed to put the yearly budget in the Revenue and Expenditure Budget to Actual Report. The next meeting CID we will discuss payment plan agreements for past due Assessments; HOA dues on owned properties; and Amazon tracking.

Management has continued to work to make sure all supporting documentation is appropriately categorized. In pulling apart the restaurant it has shone a light on items that have been traditionally categorized as a restaurant expense but belonged other places. There were also several items that were missing from the supporting reports. The Finance Committee vigorously discussed the restaurant focusing on cost containment and the positive impact that it has on the number of activities besides just the 2 night a week dining. There are events that are very popular and the presence of the restaurant, like all of the amenities, positively add to the value of our properties.

The transaction report was reviewed in detail and all questions were answered. A committee member prepared a detailed report that showed all of the Amazon transactions allowing the committee to determine the appropriateness of the expenditures. At the time it was very difficult to trace the purchase orders, packing slips and invoices. This will go, as stated above, on the CID discussion list to find a way to more easily review these transactions.

The Balance Sheet was reviewed. Cash account are being closed. There are some that do not have appropriate signatures on file. All accounts will have the signature cards renewed at the annual meeting each year. Assessments paid in advance are being reviewed and unredeemed gift certificates are now being properly shown. Our operating cash accounts show a balance of \$1,111,805. As cash increases, Accounts Receivable is down to \$344,288 from \$595,127 in March. May will show additional healthy reduction of receivables.

The net Revenue over expenditures for April is up from March at \$110,697 to \$123,821 which is typical for this time of year. The summer months tend to show a reduction. Cash flow from the billing is in good shape. The budget increases for the one item in February and the two items approved in March are included in the April Report.

The investment accounts that hold the Asset Replacement funds are invested in CD's the safest type of investment. The current balance is \$715,479. The 2020 contribution of \$164,500 was made in June. From the Long Range Planning Committee, there was an emergency expenditure for a tankless hot water heater. The board will need to approve this expenditure from the Replacement Fund.

#### RECOMMENDATIONS:

1. The Finance Committee reviewed the transaction reports, as well as the Balance Sheet, Revenue and Expense statement, Budget to Actual, and the President and the Treasurer reviewed the Bank Statements, based on that I recommend certification of the April 2021 Financial Statements. **Secretary Ward moved to approve certification of the April financial statements. Director Pollock seconded the motion. The motion passed unanimously.**

2. Recommend the approval of the expenditure of the Tankless Water Heater from Reserves. **Secretary Ward moved to expense the cost of the tankless water heater from the Associations Reserve fund at \$1500.00 to the general fund. Director Pollock seconded the motion. The motion passed unanimously.**

#### 10. Committee Reports:

- A. **Summer Recreation:** Discussion was had on the amount of incidents that occurred over the Holiday weekend, which included 2 medical emergencies, and three distressed swimmers. There was also a discussion on the amount of time allotted to lap swimmers as well as water aerobics and ensuring the pool opens on time for lap swim.
- B. **Events Committee:** No report
- C. **Architectural Review: Secretary Ward reported:** 1 approved paint color change, 1 approved deck replacement, and 1 approved cement pad for generator.
- D. **Facilities/ Long Range Planning:** a) Approval of the following policies-n 500-A-3 Advertising and usage in the Associations Lodge Log, Website, and Email Service, 500-A-14 Smoking on Association property, and 500A-38 Opt In Garbage spill cleanup program. **Director Dubois moved to approve policies 500-A-3, 500-A-14 and 500-A-38. Treasurer Schultz seconded the motion. The motion passed unanimously.**

**Vice President McAtee submitted the following LRP report:**

GOVERNING DOCUMENTS REVIEW SUB COMMITTEE:

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1. Policy 500-A-1 – Duties of the Officers of the Board of Directors and Board Committees
2. Review Final recommendations per comparison of original vs revisions, and rationale
3. Policy 500-A-2 – Use of Snowflake Lodge Facilities
4. Review recommendations to date per comparison of original vs revisions, and rationale
5. ACTION: Committee make final recommendations and possibly submit for June BOD mtg
6. Policy 500-A-7 – Membership Lists – CHANGE IN LAW
7. ACTION: must update Policy to conform, NO 28-day review as must conform, attorney task?

### SNOWFLAKE LODGE

1. Crisis Management – *On Hold*
2. DISABILITY ACCOMODATIONS: Finished for 2021

### SPRING PROJECTS

#### LODGE LAKE PROPERTY

1. Children's play area – *Due to shortage of staff will be installed mid-June.*
2. Contract for addition of asphalt walkway to gym. *Will review. Possibly other alternatives*
3. Crack filling upper tennis courts. *Completed.*

### ASSET RESERVE PROJECTS

1. Repair Culvert under lower tennis court (\$108,350) - *September*
2. Replace security cameras (\$1,910 Asset reserve analysis estimate) Bids for additional cameras soon. Contractor wants to meet with FLRP Committee.
3. Pool area retaining wall. (\$1,400) *Will begin construction as soon as ground dries out. Probably in September*
4. New POS System for Lodge and Fly-In. (\$4,774 for total system) *Square system installed at Fly-In (\$1,000).*
5. *Replacement pool heater installed (\$7,000)*
6. *Tankless water heater installed (\$1,500)*

### PROJECTS FOR 2022

1. Beautify area near lodge entry. *Maintenance Staff*
2. Review parking lot options. *Waiting for plans*
3. Facilities Check-in software – *Reviewing options*
4. Replace pool pump (\$4,535) To be installed by maintenance dept.

### USEAGE AND FEES COMMITTEE

Chairman Dale Ward. This Sub-Committee will meet separate from FLRP beginning in July 2021 after the new board is installed.

1. Capacity
2. Reservations
3. Short term/long term passes

**E. EPPOC:** See EPPOC minutes

**F. Fire Prevention Program:** Thomas Hein submitted the following report: Good morning. Over the last 30 days, we have heard from many of the Members who received a first notice for fire prevention. We sent out 68 letters in the month of June. These letters went to the worst of the worst properties. Here is the current breakdown:

Members who became compliant- 25

Members who are still non-compliant and have not asked for an extension- 25

Members who are still non-compliant but asked for an extension (July 1, 2021)- 13

Members who are in front of the BLSHA BOD-5

During the month of June, we will be inspecting the remaining 43 properties. In addition, we will be looking at the next stage of non-compliance. Most of these properties either were 90% complete, but had not finished removing needles off of the roof, or did not trim the Mountain Misery to less than 3 inches. We are hopeful that a majority of those 300 lots were able to be completed. On or around July 1, 2021, we will request that all 43 remaining properties, which are still non-compliant, receive a Notice to Appear for the July BOD meeting.

Cal Fire brought back the VIP program. I attended the Collector App training session, which was held at Lakemont HOA. The session did not deal with fire prevention training, but instead focused only on the Collector App. BLSHA has been given everything it needs to implement the new way the VIP program will be implemented.

Cal Fire is mandating that all VIP inspections must be input into the Collector App, along with pictures and a report. Each non-compliant property must be photographed and uploaded into the App. Each property must also have their building verified. This means each inspector, each year, will have to verify the number of stories that each home has, along with what the home is constructed with. For example, multi-story home, exposed eaves, composite roof, how many decks and what materials they consist of. This will bog down the previous process. Each property will take around 5 minutes to inspect and around 5 minutes to input into the Collector App, if there are no technical issues or interruptions.

The new Cal Fire procedures will give some of our VIP volunteers fits. The technology is still having the bugs worked out and can be very confusing, if you are not one who utilizes apps. My recommendation would be to continue the same process for inspections, which were used in 2020 and 2021, and then utilize the volunteers for the inside work. This work would include stuffing the envelopes with LE100's which have passed. This would allow the FPC to concentrate on the non-compliant inspections and updating the Collector App.

With one set of eyes, the BLSHA FPC is able to get a consistent reading on which properties to focus on, and which properties deserve an extension. In past years, the VIPs would conduct their inspections and then the FPC would spend a few weeks checking properties anyway, in order to

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decide who requires an extension. In 2020 and 2021, the inspection process allowed for the FPC to know the location of every problem in BLSHA, in real-time.

I still believe that the VIP program is vital, but the previous way of completing inspections will rely heavily on the technological abilities of the volunteer inspector. There will be a long learning curve. The volunteers only see this program two weeks, every year. It will be difficult to retain the process year to year. It is my recommendation that we create a hybrid of the process from 2020/2021 and from 2019.

Cal Fire is expecting winds that will top the wind patterns of 2020. This will create an atmosphere for potential violent and erratic fires, in 2021. We need to stay alert.

**11. Old Business:** a) Radio repeater purchase and location- The radio repeater will be installed as soon as possible, potentially at a location on or around Sequoia Woods

**12. New Business:**

**13. Correspondence:** No additional correspondence received

**14. Adjournment:** 11:21am Secretary Ward moved to adjourn the meeting, Secretary Schultz seconded. The motion passed unanimously.

Respectfully submitted: Amber Meyer