

Approved Minutes of the Regular Meeting on September 17, 2011

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

DIRECTORS PRESENT: Vice President Harry Tittle, Treasurer Guy Pollak, Secretary Mary Peterson, Directors Frank Hengel, Roy Silcox and Paul Penney.

DIRECTOR ABSENT: President Ed Stahlberg

General Manager Tony Abila

Assistant General Manager Marsha Hampton

Vice President Tittle called the meeting to order at 9:00 a.m.

1. **Member/Guest Introduction:** Six members attended the meeting.

2. **Member/Guest Forum:** No comments.

3. **Approval of Minutes:**

a) Approval of Minutes of the August 20, 2011 Regular Meeting:

Director Silcox made a motion to approve the Minutes of the August 20, 2011 Regular Meeting. Director Hengel seconded the motion. The motion passed unanimously.

b) Approval of Minutes of the August 25, 2011 Special Meeting:

Director Hengel made a motion to approve the Minutes of the August 25, 2011 Special Meeting. Secretary Peterson seconded the motion. The motion passed unanimously.

4. **President's Report:**

a) BLSMWC – Update from Water Board Member:

BLSMWC Board Member Ernie Multhaupt reported that the BLSMWC well provided enough water during the high demand summer months. The water company will continue to try and find other sources of well water. The other option of annexation with CCWD is still being considered. The water company would need a detailed cost estimate from CCWD in order to proceed in that direction. The water company would prefer to have a contract to buy water from CCWD but CCWD has not been amenable to this option.

5. **General Manager's Report:**

a) Operation's Review: Manager Abila gave the following report:

Management is working on deeds for HOA properties to provide to the association attorney who is working on the CC & R revision.

Delinquency accounts status: There are 58 total delinquent assessment accounts, 31 are delinquent for 2011 only and 27 have been delinquent for longer.

The Committee Roster for members that would attend the Appreciation Dinner is about 70 members.

Work on the lighting for the restaurant entrance will begin on September 29, 2011.

VIP Coordinator Pete Padelford organized several volunteers to help in the cleaning of the HOA property on the other side of the water company.

The cost for a four foot high chain-link vinyl coated fence on the Fly In Lake bridge will be \$240.20. The recreation counts reflect a decrease at the Lodge Lake facilities from previous years due to poor weather in May. However, the counts for Fly In Lake were up from previous years. Maintaining a smoke free facility was discussed and the Board agreed that a policy should be written. The monthly lab results for contaminants for Lodge Lake and Fly In Lake are at the desired level. The County Road Department is surveying Blue Lake Springs Drive and Cypress Point Drive to determine the necessary speed limit for those roads.

b) CC & Rs update: Discussed under Operation's Review.

c) Confirm approval of bids to re plaster the pool: **Director Silcox made a motion to accept the bid from Burkett's for \$56,000 to re-plaster the pool. Secretary Peterson seconded the motion. The motion passed unanimously.**

6. Treasurer's Report:

a) Financial Review YTD: Treasurer Pollak gave the following report:

For the month of August 2011, income showed a total profit of 0.09%. Recreation income increased from the budgeted amount by 20.2% and Snack Bar increased 1.7%. Restaurant income was below budget by 26.5%. YTD August 2011 income was (0.8%) below the annual budget.

The August 2011 expense analysis showed (11.1%) below budget. Administrative expenses were 21.3% below budget, Maintenance expenses were 12.9% below budget, recreation expenses were 6.0% below budget, Restaurant expenses were 18.8% below budget.

YTD P/L total expenses was (6.8%) (\$54,044.83) under budget showing that expenses are being managed appropriately.

b) Approval for Continuation of Levy, Erlanger, CPA for Letter of Engagement:

Treasurer Pollak stated that the price for the audit has not changed from last year.

Treasurer Pollak made a motion to approve the continuation of services for the 2012 Audit with Levy, Erlanger, CPAs. Director Hengel seconded the motion. The motion passed unanimously.

7. Committee Reports:

A. Finance: Treasurer Pollak reported that the Finance Committee has met and is working on the budget.

They have made adjustments and are scrutinizing all areas for cost reduction and what to expect in income. They hope to have the Budget ready for the Board to review at the next board meeting.

Treasurer Pollak stated that he is currently reviewing the Asset Reserve Account over a ten year period, past and future. The association must consistently contribute annually to the Asset Reserve Account each year to keep it adequately funded.

B. Summer Reception: Reported under Manager's Report.

C. Winter Recreation: There was an in depth discussion about winter recreation events and private events.

The Board agreed that there should be guidelines on determining which events are BLS events and which are private events.

D. Personnel

a) Safety Program: No report.

E. Architectural Review:

- a) Status of ARC reviews: Director Hengel reported that plans for one new house and one painting job was reviewed.

F. House/Facilities/Security: Director Penney reported that the committee toured the facility. Several problems were noted that need to be corrected. The lifeguard stand steps need replacing and a fence around the drainage area behind the tennis courts will be put in.

G. Long Range Planning

- a) Subcommittee of Snowflake Lodge: Treasurer Pollak reported that this committee was formed to look at the fiscal and operational side of Snowflake Lodge and to provide a monthly report and a long range vision. In May the committee will present a report to the Board. There are some issues that have been brought to the committee's attention and will be addressed now.

H. EPPOC: President Tittle reported that there were three business people who gave presentations at the meeting. He also reported that a fee is being considered by the State called a SRA (State Responsibility Area) fee. The fee is not meant for fire fighting but for fire prevention.

I. VIP:

- a) Status Report:

VIP Coordinator Pete Padelford stated that he needs more VIP inspectors for next year.

He also wanted to give recognition to the volunteers who helped clean the Blue Lake Springs property. They did a beautiful job. Mr. Padelford hopes to have a CalFire representative at the Annual Meeting next year to explain the lot cleaning requirements. He also thanked Joan Lark for all the work she has done.

Vice President Tittle commended Mr. Padelford for the work he has done this year and his long range planning to educate the membership on fire prevention.

J. Special Projects: Vice President Tittle announced he has agreed to MC the Appreciation Dinner next year. He also reported that he has started reviewing all the Board Policies and will report to the Board his suggestions for revision to update those policies that need it.

8. Old Business:

Director Hengel stated he would like the Board to think about considering changing the term limits of future Board Directors to more than one consecutive term. He explained he has heard complaints from members about the lack of continuity from one year to the next. The Board asked Manager Abila to research the protocol to make such a change.

Director Hengel also wanted the Board to think about the language in the CC & Rs that state all lots, developed and undeveloped, to pay exactly the same amount. He explained he would not want to take away from future Boards the option to tier assessments.

9. New Business:

- a) Lodge Log going electronic: Manager Abila explained that the Lodge Log is currently printed and sent out by mail. It is also posted on the BLS Website in a pdf format and emailed to those members who have

signed up to receive the Lodge Log by email. The cost to post the Lodge Log on the website is approximately \$2,400 per year. Treasurer Pollak further explained that the cost to send the Lodge Log out by postal mail is \$24,000 per year. The savings per year to post the Lodge Log on the Website with access by email would be approximately a \$21,600 savings to the Association. The savings is realized by not printing and mailing it. Printed copies could be made available at a member's request. Black and white copies could be posted at the Lodge and/or picked up by a requesting member there. A lengthy discussion followed which included member comments from the audience. The general consensus was sending the Lodge Log electronically would be the most efficient and beneficial way to get information to the membership. It would also be considerably cost effective.

Treasurer Pollak made a motion to send the Lodge Log newsletter electronically to the membership starting the first quarter of 2012 with the additional distribution of the January/February Lodge Log per hard copy. Director Penney seconded the motion. The motion passed unanimously.

Notification will be sent out in the November/December 2011 and January/February 2012 Lodge Log issues explaining the change in the distribution of the Lodge Log and encouraging members to sign up for the BLS email.

10. Member Comments/Forum: Included under New Business.

11. Correspondence: No questions.

12. Closed Session:

a) Delinquency Accounts: **The Board of Directors moved and approved transferring an account in Unit 1 to Bad Debt.**

13. Adjournment: Vice President Tittle adjourned the meeting at 1:20 p.m.

Respectfully submitted,
Recording Secretary Marsha Hampton
Approved for Posting: October 15, 2011