

Approved minutes of the regular Board of Directors meeting October 21, 2017

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

1. **Call to order:** 9:00am
2. **Roll Call:** Directors Present: President Chris Gosswiller, Treasurer Guy Pollak, Secretary Jimmy Cooke, and Director Bob Podesta

Staff Present-

General Manager: Tony Abila

Assistant General Manager: Amber Meyer

Absent: Vice President Bev Vasquez and Director Denny Clemens

3. **Member/Guest Introduction:** 4 members and guests attended the meeting
4. **Member/Guest comments:** Fire Chief Mike Johnson spoke regarding an emergency evacuation enhancement project that has been identified in BLS. The Fire district would like permission to improve the lot identified (lot B unit 11) to allow for emergency passage into SPI lands, ultimately allowing residents an escape route should it be needed through Love Creek.
5. **Approval of Minutes of the Regular Board Meeting September 16, 2017 meeting:**

Director Utter motioned to approve the minutes for the September 16, 2017 meeting. Treasurer Pollak seconded the motion. The motion passed unanimously.

Presidents Report: President Gosswiller gave the following report:

Good Morning Board Members,

Welcome to shorter days and beautiful weather! The 2018 budget will be reviewed by the Board today which is a month ahead of schedule. Thank you to Guy Pollak and the entire Finance Committee for their hard work in making this happen. The budget process should be easier next year as we will be on one system instead of two systems. A lot of adjustments had to be entered manually by Tony and we appreciate the many hours Tony spent crunching the numbers. Every item was reviewed and scrutinized. Many cost savings were incorporated into the 2018 budget. The Finance Committee is also recommending several policy changes to strengthen our reserves. The bad news is that our yearly assessment will be

increasing partially due to the mandatory increases to minimum wage. This increases the costs of goods and services. We are exploring different ways to increase our revenue sources. One potential source is to increase the number of special events held at the HOA. More to come on that aspect in the future. We are receiving positive comments from our members on the adoption of our Fining Policy last month. We now have the instrument to enforce our CC&Rs. One common complaint is garbage cans being left out and an easy target for bears and other animals. We have had numerous bear sightings this year and part of this is due to the easy access to food. We need to make sure they don't have a steady source of human food available. Work is almost done on the lot for sale on Blue Lakes Springs Drive. The lot has been cleared and the temporary roads will be removed. The sale of the lot should be completed by the end of October. Thank you again to all the volunteers and Board members who serve on our committees. A lot of time and effort are spent making Blue Lakes Springs such a wonderful place to live. We appreciate every one of you!

Chris Gosswiller

President

7. Manager's Report: Manager Abila reported

- Legal: New trial date set for May 2018. Legal fees for 2017 have exceeded \$180,000, which will result in the Association having to look for ways to fund end of year budget and reduce additional costs.
- Sale of BLS property: Roads are being removed, grading, and testing of soil for any oil is all that is needed to be accomplished to continue with the close of escrow.
- Reserve Study is complete and will be submitted to the Finance Committee for review and recommendation to the Board in November for approval.
- Amphitheater Project: Lower portion of the amphitheater has been completed

8. Treasurers Report:

9. Committee Reports:

- A. Finance:** Treasurer Pollak reported the Finance Committee and Management have completed the Budget for 2018, and will presented later in the meeting for approval. The finance committee has put forth the following recommendations: a) The finance committee recommends to the Board to adopt the Major Asset Reserve Component

Protocol 500-A-17 b) The finance committee also recommends to the Board to adopt the Operating Reserve Fund Policy 500-A-35

B. Summer Recreation: Family Season Card pricing and policies were reviewed and submitted to the Board for approval.

Director Podesta motioned to increase the family season card fees as laid out in the Family Season card letter sent to members. Secretary Cooke seconded the motion. The motion passed unanimously.

C. Events Committee: The taste of Broadway event will be held October 21st and is sold out!

D. Architectural Review: no report

E. Facilities/ Long Range Planning: The Committee discussed repairs and improvements to Blue Lakes Springs from the storm damage of 2017. Repairs have been almost completed with the exception of the trenching for the upper and lower tennis courts. Discussion of the Lodge parking lot and ways to expand the lot occurred. A portable building located on the lot adjacent to main lodge property for multi purposes was discussed as well. Both expansion of the parking lot and a portable building be in future plans for the Association. The Long/Short Range Project List was discussed. Due to budgetary restraints, minimal improvements will be accomplished in 2018 to the Lodge property and to the Fly In Lake property. A copy of the Project List will be given to the Board for their review. The feasibility of a water slide at the Lodge Lake was discussed with diagrams and costs. Insurance costs and liability would need to be investigated before any actions be taken.

F. **EPPOC:** Meeting minutes were reviewed

10. **Fire Prevention:** Ebbetts Pass Fire District Fire Chief Mike Johnson spoke in regards to developing an emergency evacuation enhancement project to help residents of Arnold to be able to escape should the highway not be an option. Lot B in unit 11 is owned by BLSHA and has been identified as a potential evacuation road. This lot happens to be one of the small parcels BLSHA has listed for sale. EPF is seeking permission from the Board to improve the property and maintain a road to allow for an emergency evacuation should it ever be needed. The road and gate will be maintained by SPI and EPF, and opened by an official in the event of an emergency. VIP: Secretary Cooke reported he emailed a project manager at PG&E regarding the bark build up in the ditches in BLS. Phillips and

Jordan have assured Secretary Cooke the bark will be cleaned up. The situation will continue to be monitored.

Secretary Cooke motioned to allow Ebbetts Pass Fire District to use the access road on Lot B with the stipulation that Sierra Pacific Industries will be doing any and all improvements to the road. Director Utter seconded the motion. The motion passed unanimously.

Secretary Cooke motioned to amend the purchase contract on Lot B to include an easement for emergency access road covering the entire lot. Treasurer Pollak seconded the motion. The motion passed unanimously.

11. **Old Business:** Update on member's legal litigation on Assessment dispute- no update

Update on extra BLS small lots for sale- 2 of the properties are in escrow. A 3rd escrow should be opening soon.

12. **New Business:** Review and posting update to Policy 500-A-17- Major Asset Reserve Component Protocol-Policy deals with major asset reserves. The current funding plan is designed and intended to grow the asset reserve account. After a few years of this plan in place it is noted that although this plan sustains the account, it does not grow it. The base funding floor in place now is 20%, and the finance committee is recommending a floor of 50%. A timeline was established to fund the reserve account to an acceptable level (10 years). *Discussion on confusing wording of the proposed policy lead to the decision to table the approval for posting until the policy can be made to read more clearly.

Review for approval and posting of Policy 500-A-35 Operating Reserve Fund Policy (formerly contingency fund)- Operating reserve fund will include assets that are under \$1000. Will also cover any unforeseen costs in the current budget year. The account cannot be used repeatedly for the same expense.

Treasurer Pollak motioned to approve Policy 500-A-35, Operating Reserve Fund Policy. Director Utter seconded the motion. The motion passed unanimously.

Review and approval of 2018 Budget- Budget was presented and reviewed by the Board. Driving factors of the budget include building the major asset reserve fund, building the operating reserve fund, minimum wage increase, and legal fees. There will be an 18% increase in the annual assessment due to the mentioned driving factors.

Treasurer Pollak motioned to approve the 2018 Budget. Director Utter seconded the motion. The motion passed unanimously.

Review proposal of Fire Break Grant- Pete Padelford presented information regarding a letter of commitment from the President of the Board needed to proceed with the grant application process. Discussion on the administration of the grant and grant rules, as well as maintaining the fire break once complete.

2018-2019 Insurance renewal review summary- Reviewed and Discussed

Secretary Cooke motioned to accept the 2018-2019 Insurance Renewal Plan. Treasurer Pollak seconded the motion. The motion passed unanimously.

Correspondence: One correspondence from a homeowner regarding a neighboring property was received and discussed. A concern from a member (s) regarding garbage and bears was brought to the Board and discussed. Although the Board understands the problem with garbage spills, the HOA cannot enforce the use of Bear Proof containers without a vote of the membership.

14. Closed Session: 11:00am

15. Open Session: (12:00pm) **Firebreak:** The Board came to an agreement to look into alternative avenues for funding and maintaining a firebreak around Blue Lake Springs, rather than the Association accepting a grant from the Fire Safe Council of California and needing to maintain the firebreak. The Association cannot take on the continued Maintenance of a firebreak without a vote of membership, as each property would be assessed annually to maintain.

16. Adjournment: 12:10pm

Respectfully submitted: Amber Meyer