

**2018 Blue Lake Springs Homeowners' Association
Annual Membership Meeting Minutes
June 2, 2018**

Call to Order:

President Gosswiller Called the meeting to order at 11:00 am

Introduction of Board Members:

President Gosswiller introduced the members of the Blue Lake Springs Board of Directors along with General Manager Abila and Assistant General Manager Meyer

Credential's Committee Report:

Director of Election Ann Evens reported that all candidates running for election meet the Blue Lake Springs By-Law requirements

Approval of Minutes (2017 Annual Meeting):

No quorum reached at the annual meeting. The 2017 Annual Meeting minutes will be approved at the next regular Board of Directors Meeting

President's Report:

Good Morning Board of Directors and BLS Homeowners,
Thank you for attending the annual meeting of the Blue Lake Springs Homeowners Association. This year we have a lot to be grateful for. First and foremost, Blue Lake Springs won a judgement in the lawsuit against the member disputing our assessment policy. This lawsuit has been on-going for the past four years. I would like to thank the present Board of Directors and the previous four Board of Directors who also dealt with this lawsuit, for their diligence and patience. I would also like to thank Tony Abila, General Manager of Blue Lake Springs, who lived with this lawsuit every day for the past four years. Tony did a tremendous job in providing countless documents and evidence in this case. There is nothing fast about the legal system in our country but justice prevailed. We would love to give further details but we have been cautioned by our attorneys to not disclose any additional information until the written judgement is released by the Court.

The past year has been a busy one for the Board. The Budgetary process was not an easy one last year and probably won't be this coming year. We needed to increase our reserve money to accommodate future needs and emergency requirements. We now have a clear plan in place increase our reserve requirements to an acceptable level to hopefully avoid special or emergency assessments. We have a 30 year asset reserve study to determine replacement costs on all of our assets at BLS. Our Fire Prevention Program has received statewide recognition for excellence. Improvements to the facilities at the Lodge Lake property and Fly In Lake property are being done. All improvements are being done with an emphasis on how we can utilize the properties in such a way that they have a multi-purpose use. For example, the amphitheater can be used for movie nights in the summer, weddings and music concerts. We want to get the most use out of each amenity for our membership. The grounds at both our locations look terrific and more improvements are in the works. Please talk a walk around both locations. You will be amazed! I would like to thank all of our members who donate their time and talents to all our

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committees. These committees include the Finance Committee, Events Committee, Summer Recreation, Long Range Planning & Facilities Committee, Architectural Review Committee and the Fire Prevention Program, which includes our V.I.P. inspectors. Our volunteers help to make Blue Lake Springs such a great place to live and vacation. All committees have one or more Directors on them who in turn report back to the Board. A great way to get involved in the community and meet your neighbors is to join one of these committees. There is a calendar in the monthly Lodge Log (which I hope you are all receiving in your emails) that show when these meetings are scheduled. Feel free to attend these committee meetings. For years we had very few attendees (if any) at the Board of Directors Meetings. I am happy to report we have a good number of people who show up to listen and offer comments and suggestions. The Board welcomes your feedback!

A very special thanks to Tony Abila, our General Manager and Amber Meyer, Assistant General Manager and the wonderful staff for making Blue Lake Springs such an outstanding place for all of us. Finally, I would like to thank my fellow Board members for their support and encouragement over the three years I have been on the Board, especially in my final year as President of the Board. All of you have been such a help to me and I truly appreciate your dedication and friendship. We will have three new Board members who volunteered to be on the next Board of Directors. I want to thank them for running for office and know these new Board members will be a huge asset to our Blue Lakes Springs Homeowner's Association.

Again, thank you again for the privilege to be on the Board of Directors at Blue Lake Springs!

Chris Gosswiller

Treasurer's Report:

Treasurer Pollak gave the following report: Good Morning! Your attendance and participation today is greatly appreciated. The Association CPA are about 99% complete on the Annual Audit, and the only 2 things remaining are two documents needed from the HOAS Attorneys doing with the litigation settlement. Both the President and the Treasurer sit on the finance committee, and one of our greatest responsibilities is maintaining the financial health of the HOA, while at the same time protecting all of our assets. In order to plan for the future one must keep accurate and detailed financial records. Every budget must include an adequately funded reserve account on an item by item basis. The finance committee begins the budget process in early August, and presents a proposed budget to the Board in October/November. That is when the budget is approved. Additionally, the annual assessment is determined in the annual budget, as our primary source of operating capital. "There is no more important statement of fiscal intent than putting together a responsible budget, one that acknowledges its available means and makes a reasonable attempt to live within them." To date, our 2018 budget has successfully sustained itself. The following are some of the major events that happened along the way. The Litigation expenses greatly affected our budget, causing a 9% increase in member's assessment. The Associations Asset Reserve fund has been underfunded for many years, but we have taken steps to adequately fund this account in the 2018 Budget. We also established and Operating Reserve fund this year, for replacing components for items that are less than \$1000.00. Another important component is the asset reserve funding plan which was developed by the finance committee and approved by the board in order to grow

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the reserves. We also have a minimum wage increase of 4.75% which does impact the budget. There have been reduced costs as well. Labor costs were down in two departments for a savings of \$26,000, savings in our workman's comp insurance, as well as a savings of \$8000.00 for not printing and mailing a recreation handbook to all homeowners. A budget is a plan with money, it not only helps us right now, but it also provides the HOA with a vision and hope for the future. Thank you.

General Manager Report:

Manager Abila reported the following:

- Summer recreation handbook is available online, and not only has created a savings in production cost but labor cost as well.
- Improvements on the facilities are ongoing. The amphitheater is slated for completion at the end of June. We have a new sound system and new screens going in the area. Other improvements will be down at fly-in lake. Horse shoes and Disc Golf will be going in and are also slated to be done before the opening of the season.
- Fees for Fly-In lake have been established for use only of the lake. The fees for use of Fly-In only are less expensive than full lodge use.
- Handicap Access: There are several ways to enter the facilities that would be considered handicap accessible. There is a check in gate down in the cul de sac to help anyone in a wheelchair enter the facilities. We also have golf cart shuttling if you call ahead and let the office know you are coming.
- Please make sure to acknowledge the Maintenance staff as you see them on the grounds. They work tirelessly to ensure the grounds look great and ensure projects are to the standard expected.

VIP:

Director Jimmy Cook commented the program is alive and well and doing good. First inspections are completed. If you receive a notice, please make sure you comply and clean up what needs to be cleaned. CAL-FIRE is issuing citations, and has given out 25 to date. There is information on the back table regarding defensible space, as well as insurance companies who are writing policies for our area. Homeowners that are not in compliance with the 2nd inspection, will receive a notice from the HOA, and could potentially be subject to the violation and fining policy. All we ask is you clean your property. Thank You.

Comments from the members:

Member comment submitted via email thanking the Board for the exercise room and having it available for members to use.

Member Comment from Unit 13 on the cost of running the Recreation Program and the Restaurant, and what can be done to reduce the deficit. President Goswiler commented that everything within BLS is subsidized, and is part of the amenity package.

Member Comment from Unit 5 concerning lot clearing and "mountain misery". Jimmy Cooke reported that from 30 to 100 feet mountain misery has to be cut down to 3 inches. The VIP inspectors are out and inspecting, and they will cite those properties not in compliance.

Award Presentation:

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Secretary Cooke presented an award and thanked President Gosswiller for her service. General Manager Abila thanked the retiring Board Members Secretary Cooke, and Director Bob Podesta.

Election Results:

Ann Evans reported that the candidates were elected by Acclimation according to the Association ByLaws

Introduction of New Board of Directors:

President Gosswiller introduced the new Board members Steve Pollock, Doug Hjelmhaug, and Mike McAtee

Adjourned:

President Gosswiller adjourned meeting at 12:05 p.m.

Respectfully submitted

Amber Meyer

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Unapproved Annual Membership Meeting Minutes of the Blue Lake Springs
Homeowners Association