

Approved minutes of the regular Board of Directors meeting February 15, 2020

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 Bruce Utter, Treasurer Mike McAtee, Secretary Doug Hjelmhaug, and Directors Steve Pollack, Dale Ward & Joanne Schultz. Absent: Vice President Denny Clemens. Staff Present: General Manager- Tony Abila & Assistant General Manager- Amber Meyer
3. **Member/Guest Introduction/Comments:** Members from the following lot/unit numbers attended the meeting: 735-05, 120-02, 661-05
4. **Approval of Minutes of the Regular Board Meeting January 18, 2020 meeting:** Director Schultz motioned to approve the minutes of the January 18, 2020 regular board meeting. Director Ward seconded the motion. The motion passed unanimously.

5. Presidents Report: President Utter submitted the following report: Good morning fellow Board members and homeowners. This year presents our Homeowners Association with a number of fiscal challenges. Like many of our members, the Association received a notice of non-renewal of our insurance late last year, in spite of our efforts to make our community and our Association's property fire safe. We were forced to go to the California Fair Plan for fire insurance. The result is that our insurance costs this year have nearly doubled to a total of \$75K. Last year the California legislature passed Senate Bill 323. This impacts our Association in a number of ways. New election rules will increase the costs of handling our next election. We need to consult with our attorneys to be sure our documents meet the requirements of the new law. All of this without any real benefit, in our opinion, to our organization or to our members. The lawsuit from one of our members continues to burden our finances in 2020. Although the suit was settled in our favor last year, the case has been appealed and will continue to require legal resources until the case is settled, probably later this year. The California minimum wage increased 8.3% from 2019 to 2020. This impacts the wages of all of our employees. Wages, of course, make up a large part of our annual budget. We continue our efforts to bring our asset reserve fund to the desired level. We've made great progress on this in the past few years. In 2018, our asset reserves were in the low 20% range, below what most financial experts would recommend. Our recent asset reserve study, completed late last year, shows that we are now at 36.5%. As a benchmark, this study ranks anything under 30% as "high risk" and reserves of the 30-70% as "medium risk". We're well on the way to our goal and it is our intention to continue efforts to be fiscally responsible. With several challenges noted above, I think it's a testament to the efforts of Tony Abila, our General Manager, Mike McAtee and his Finance Committee team, and the entire Board that our increase in assessments for 2020 was held to under 5%. I've been witness to many examples of creative thinking of ways to minimize expense while providing the amenities our homeowners appreciate. Lastly, I want to repeat my call for candidates for the Board to step forward. We need a variety of viewpoints and skill sets on the Board. If you're interested, feel free to approach any current Board member to ask about their experiences as a BLS Board member.

6. Manager's Report: Manager Abila reported

- Administration: Delinquent Accounts & CC&R report were attached to the Board Book,
- CC&R Report: Included in the board book is an update on properties that were asked to appear or fined, and any progress that has been made.
- CID: The Finance Committee has requested a phone conference with CID, which will take place on Friday, February 21.
- ARC POLICY UPDATES: Holding off until March due to Voting and Election rules/Bylaw mandated changes.
- BYLAW/VOTING RULES: New election rule packet is included in the board book for review. The board will need to approve posting to membership for 28 days for comments.
- Restaurant Decking: Staff will begin work on resurfacing the deck the last week of February.
- Fly-In Lake: Staff has been monitoring the water flow at the lake and is very concerned with the water flow. Weather has been drier than expected. Management will be shutting the lake down this month.
- Lodge Lake- The water flow into Lodge Lake has slowed to the point the lake is not filling. If we do not receive sufficient water flow, we may need to use the lake wells to fill the lake.
- Food Service: The kitchen floor has been completed, and with the work our maintenance team did to help with demolition resulted in a savings of \$1,875.00.
- Summer Recreation: The 2020 Recreation Handbook is completed and in the Board Book for approval.

7. **Treasurers Report:** Treasurer McAtee reported the finance committee had not received the completed the financial reports provided by CID, partly due to the earliness of the meeting this month. The reports will be corrected and certified along with the March reports.

8. **Committee Reports:**

A. **Summer Recreation:** Review and approval of the 2020 Summer Recreation Handbook.

Secretary Hjelmhaug motioned to approve the 2020 Recreation Handbook.

Treasurer McAtee seconded the motion. The motion passed unanimously.

B. **Events Committee:** The Event Committee is currently working out themes for the Spring Event, which will be held May 2,2020. More information to follow.

C. **Architectural Review:** none

D. **Facilities/ Long Range Planning:** Treasurer McAtee reported the LRP committee met on February 13 and discussed the following: VIP INSPECTIONS - Thomas Hein and Jimmy Cooke will be consulted about moving the dates earlier for the first and second inspections. This change would require properties to become compliant at an earlier date to reduce fire risk. STATUS OF ADA PROJECTS - Handrail to the office stairs has been completed. Dale Ward to review the signage needed for BLS and make a recommendation to the Board members. NEW EQUIPMENT FOR THE CHILDREN'S PLAY AREA - The new structure will be ordered in mid-May. Will be completed prior to the Memorial Day weekend. LODGE LAKE DECK AND RAILING PROJECT - Railing to be replaced. Expanding a small area of the deck. Work to begin within several weeks. NEW PARKING LOT BID UPDATE - Still obtaining additional bids. Need engineering report. Artist's rendition of the project has been ordered. SUGGESTED NEW PROJECT FOR BLS - FLY-IN LAKE - Paddle boats, a dock, ping pong tables, addition of a lawn area. The topics to be discussed further. MISC - Water run off for both lakes is slow due to the dry winter. May need to close the valves on both lakes to retain enough water in the lakes for the summer season. Dredging of Lodge Lake will need to be done in the near future. The

funds required for dredging Lodge Lake will be in the 2021 budget.

E. EPPOC: Director Pollack summarized the meeting, which he attended. Meeting minutes were included in Board Book

F. Fire Prevention Program: VIP Coordinator Jimmy Cooke gave the following report: The date of the VIP inspections has been revised, and a modified schedule has been presented to the Board. The first CAL FIRE inspection will be the first week of May. If there is inclement weather, the inspection will be postponed 30 days. Blue Lake Springs will begin CC&R inspections May 18th. Firewise community day will be held May 2nd, and volunteers are needed. Homeowners are asked to meet in the lodge parking lot to help with a project around the facility, to fulfil the Associations firewise commitment. Lunch will be served to those that attend.

9. Old Business: a) Approval for posting Architectural Review Committee polices updates- Tabled. b.) Update on new Election rules and Bylaw changes due to SB323- Packet from Attorney was included in Board Book for review. Approval to post is needed. **Director Ward motioned to approve posting of New Bylaws and Election Rules for 28 days for Membership review. Secretary Hjelmhaug seconded the motion. The motion passed unanimously.**

10. New Business: a.) New Point of Sale System for recreation and food service- Tabled b.) Review and approval to change the Annual Meeting Date- In order to meet new requirements of SB323, it has been proposed the annual meeting date be changed to June 27, 2020. It has also been proposed that a Special Meeting of the board of Directors be held Saturday, March 14th to approve the new rules in a timely manner, so as to be in compliance with new laws prior to election. **Treasurer McAtee motioned to move the Annual meeting date to June 27th 2020. Secretary Hjelmhaug seconded the motion. The motion passed unanimously.**

Director Schultz motioned to hold a special meeting of the Board of Directors on March 14, 2020 to approve new Bylaws and Election Rules. Director Ward seconded the motion. The motion passed unanimously. c.) review of escrow procedures and issues with how they have been processed- Tabled.

11. Correspondence: none

12.Executive Session: 11:10am CC&R violations.

13.Open Session: 11:45am After discussion of CC & R violations the following motions were presented. **Director Schultz motioned to send a notice to appear in front of the board for non-compliance to the following APN #s: 024007003. Treasurer McAtte seconded the motion. The motion passed unanimously.**

Treasurer McAtee motioned to grant an extension to become compliant to the following APN #s, with the contingency the groundcover be removed in the meantime: 026004025. Director Ward seconded the motion. The motion passed unanimously.

Director Schultz motioned to remove the imposed fine due to compliance from the following APN #: 026052012. Treasurer McAtee seconded the motion. The motion passed unanimously.

Director Ward motioned to fine the following APN#s for non-compliance: 026004006, 026035014, 024007014. Director Schultz seconded the motion. The motion passed unanimously.

14. Adjournment: 11:55am

Respectfully submitted: Amber Meyer