

Approved minutes of the regular Board of Directors meeting July 18, 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 Doug Hjelmhaug, Vice President Mike McAtee, Treasurer Joanne Schultz, Secretary Dale Ward, and Directors Steve Pollack, Jimmy Cooke, and Roxanne Dubois. Staff Present: General Manager- Tony Abila & Assistant General Manager- Amber Meyer
3. **Member/Guest Introduction/Comments:** 34 Members attended the meeting via Zoom. Members questions were submitted prior to the Board meeting and read by Manager Abila. Some questions included establishing virtual communications with members, or a member portal to minimize or eliminate the misinformation spread on non-sanctioned social media. Comments included but were not limited to, opposition to the way the restaurant committee would be chosen, and thanks to the staff for keeping the facility safe and clean.
4. **Approval of Minutes of the Regular Board Meeting June 20, 2020 meeting:** Treasurer Schultz motioned to approve the minutes of the June 20, 2020 regular board meeting. Vice President McAtee seconded the motion. The motion passed unanimously.
Approval of 2019 Annual Meeting Minutes: Vice President McAtee motioned to approve the 2019 Annual Meeting minutes. Director Pollack seconded the motion. The motion passed unanimously.
5. **Presidents Report: President Hjelmhaug submitted the following report:** Good morning Board of Directors. We are entering mid July which has traditionally been the busiest month of the summer. We have many members and visitors in the Arnold area this month enjoying the many lakes, parks, campgrounds, and recreational opportunities available to us in this beautiful area of California. We were able to open the BLS lodge facilities on June 20, although with covid-19 related limitations and restrictions from Calaveras County and the State of California. The Summer Recreation Program is now open for the summer season, with again some limitations. There are many summer activities available to the membership, so ask what is available when you check-in at the lodge. Please note the covid-19 related restrictions can change on a daily basis, so we will keep the membership informed of changes that may impact our summer recreation activities. The Long Range Planning committee continues to work on enhancing and expanding the amenities at Fly-In Lake and park. Excellent work has been done by this committee over the recent years, and this area has become very popular this summer. The committee along with the Board of Directors continues to look at various options to better utilize and improve the empty area across from the lodge. As always, membership ideas and input are welcome. The BLS restaurant remains closed at this time, but we look forward to a reopening soon. Regarding the restaurant, an ad hoc committee was formed in 2018 to review revenue enhancements and cost reductions opportunities. The committee findings report to the Board of Directors is posted in the July 2020 Lodge Log for your review information. Additionally, the 2018 BLS amenities survey results are also included in the July Lodge Log for your review. Lastly, I would like to welcome two new members to the Board of Directors. Roxanne Dubois and Jimmy Cooke have joined the board effective late June. I look forward to

their contributions to the BLS community. We have volunteer opportunities on a number of committees, so if you have the time and interest we would welcome your participation. Stay safe and healthy and enjoy the summer!

6. Manager's Report: Manager Abila reported

- Delinquent Accounts: A report was included in the board book
- Covid 19: Update of case numbers and closures of business due to the pandemic included in the board book.
- 2020 Capital Improvements: It is the suggestion of management that the Association forgo the planned capital improvements for the 2020 budget. This would amount to a savings of \$19,350.
- Reserve Study: It is time to update the Association Reserve Study, this will be done during the 2021 budget preparation.
- ADA Updates: Door opener at Fly-In still not installed. The contractor needs to do additional work on the door header. As it sits currently there is not enough support. Hand rails are still being installed on the facilities.
- Pool: New cover has arrived and has been installed. Total cost was \$5,679.
- Fly-In Lake: There have been multiple reports of leeches at the lake. Pine Brook has reported leeches as well. The large parking lot has been striped in the center for additional parking. Management is suggesting holding off on the purchase of picnic tables for Fly-In park. Due to the shortage of revenue in Recreation, it is also in the best interest of the Association that additional improvements be put on hold. Maintenance has installed split rail fence along some of the walkways and the parking lot, in order to help direct walking traffic to the pathways.
- Lodge Lake: Lake water is still running over the spillway. There have been leeches found in both drain inlets into the lake. No leeches have been found in the lake at this time.
- Food Service: Restaurant remains closed due to severe staffing issues. The Snack Bar operation is continuing to operate on a modified schedule (Friday-Sunday), due to staff shortages.
- Summer Recreation: Recreation Report included in the Board book. Staffing continues to remain an issue. Management has met on several occasions to survey how the facilities can open for lap swimming and other amenities. We will begin early opening for lap swim and tennis Monday July 21st. Calaveras County Environmental Health Department Inspection of the pool was conducted July 15th. Pool passed with no requested corrections.

7. Treasurers Report: Treasurer Schultz reported the following: Good Morning. I came on to the Board at the tail end of financial issues with recording and reporting, and just as CID was brought on to provide the accounting function of the HOA. The transition had its challenges, but through direct communication issues were fundamentally resolved. There are still two issues being worked on. First is Receivable Management, and the second is Budget Alignment. Receivable management is going to be worked on by both Tony and Amber. Budget alignment we worked on all last year. We have come a long way over the last year, and with a year's worth of data, we should be able to align the budget. The 2021 Budget process starts in August. The Finance committee reviews bank statements, and transactions, as well as the financial reports to ensure the integrity of the reporting. We are also looking at the financial condition of the HOA. Operating Fund- Cash accounts are in good shape, and

investments accounts are holding their own. The HOA currently has a net income of \$148k in our operating fund, however, there are unpaid assessments of \$180k. We understand with the current COVID environment, this may be contributing to outstanding assessments, as well as the Associations new practice of assessment collection with CID. While only members are allowed use of the facility, this means that certain other income is not coming in at last year's level. Recreation usually generates \$90k, there is no income coming in from the Restaurant, and with modified hours and less people on the facility the Snack Bar is struggling to break even. While HOA operations are doing well, we will be watching this closely. Reserve Fund- The reserve fund was set up to ensure future funding to replace assets as their useful life expires. The reserve fund will have an approximate balance of \$640k when the reserve allocation is deposited and the rest of the asset replacements are completed. This fund is due for a new asset valuation. The last asset valuation totaled \$1.2 M. Which shows us about 50% funded. A new valuation will likely show a slightly higher replacement value for our reserve assets, which is anything valued at more than \$1,000 and less than a 30-year life. The finance committee will continue to monitor closely the operations, and this month is ready to be certified as a result of a satisfactory review.

Secretary Ward motioned to approve the certification of the June financials. Vice President McAtee seconded the motion. The motion passed unanimously.

8. Committee Reports:

A. Summer Recreation: No additional report

B. Events Committee: No report

C. Architectural Review: 5 paint requests, and 1 tree removal request

Facilities/ Long Range Planning: SNOWFLAKE LODGE PARKINGLOT EXPANSION –

The committee was not pleased with the revised driveway plan. We are asking the architect to redo the plan ADA COMPLIANCE

1. Have all door openers been installed? – Still one door opener to be installed.
2. Status of signage – To come later this summer
3. Status of railing and rest areas along path to lake – In Process

LODGE LAKE PROPERTY

1. Status of retaining wall repair near swimming pool. The wall has been temporarily buttressed. The retaining wall will be replaced after the summer season.
2. Status of children's play area – Scheduled to arrive later this month. Given the COVID restrictions it will not be installed until next season.
3. Stop sign at BLS Drive and Linda Dr. – W. will request the Board of Supervisors to have one installed

VIP INSPECTIONS UPDATE - Completed

FLY-IN LAKE

1. Restripping parking lot at Fly-In Lake completed
2. Status of POS system – Later in the summer
3. Do we are using in-house security
4. Relocation of horseshoe pit. The horseshoe pit will be relocated after the end of the summer season.
5. Children's play area (Next year)
6. Paddleboats / kayaks (Next Year)

FOR FUTURE CONSIDERATION

LODGE

1. Rowing machine for the gym. Approximate cost \$1,000
2. Shade sails at Amphitheater

FLY-IN LAKE

1. Grade lakeside in the cove are for additional beach
2. Deep water sign in the channel near the cove
3. Second horseshoe pit
4. Rental paddle boats and kayak.

There was a discussion about the corner of Linda and Blue Lake Springs Drive in the meeting, and the potential of accidents on that corner. There have been past discussions of a potential stop sign at this corner, which would have to be installed by the County, as they own the roads. Management has contacted the County in the past, and been informed there is not enough data to constitute signage at this spot. **Director Cooke motioned to contact the Board of Supervisors to ask for a stop sign at the corner of Linda and BLS Drive. Director Ward seconded the motion. The motion passed unanimously.**

E. EPPOC: No meeting in July

F. Fire Prevention Program: Thomas Hein submitted the following report: June/July was very productive. All second inspections have now been completed. In addition to the original 4 properties, which are currently being reviewed by the BOD, we invited an additional 6 properties to the July BOD meeting. 2 of those 6 properties became compliant before the July 18, 2020 meeting. I have attached photos and details from each property, for your review. We sent out 93 BLSHA CC&R letters, since June. 8 properties are currently in front of the BOD, 22 became compliant, 44 asked for 30-day extensions, 13 are non-compliant but still have a little time and 6 have just received their letters. I am very pleased with the response from the property owners.

9. Old Business: a) Update on parking lot expansion- covered during the meeting, during the Long Range Planning report. b) Facilities usage during local and state mandates- at this time usage is still restricted to members and family members. c) Radio repeater purchase and location- tabled to August. d) Board Ethics Policy Re-Review- This policy was reviewed and approved at last month's meeting. In re-reviewing, there is a need for change of wording in Article 3 concerning social media. **Vice President McAtee motioned to authorize Management to have the Associations Attorney rewrite article 3 of the Ethics Policy. Treasurer Schultz seconded the motion. The motion passed unanimously.** e) Up-date on Lawsuit- Currently the lawsuit is in the Appeals Court. Arguments have been submitted, but the appeal seems to have been delayed due to Covid. The lawsuit has been in appeal for a year and a half.

10. New Business: a.) Proposal to form a Restaurant Committee- A discussion was held on the benefits of a member requested Restaurant Committee, and how many should be on the committee. **Vice President McAtee motioned to form a 13-person Committee. Secretary Ward seconded the motion. The motion passed unanimously.** b) Appointment of Committee and Committee Chair- The Board were asked if anyone would like to volunteer to chair the committee. Director Cooke was nominated and accepted the nomination, and asked if there was a possibility of a Co-Chair. Director Dubois volunteered to Co-Chair. **Vice President McAtee motioned to appoint Director**

Cooke as the Chair of the restaurant Committee. Treasurer Schultz seconded the motion. The motion passed unanimously. Director Cook motioned to appoint Director Dubois Co-Chair of the Restaurant Committee. Treasurer Schultz seconded the motion. The motion passed unanimously.

11. Correspondence: Several questions were emailed and read out loud during the meeting and covered during member's comments

12.Executive Session: 11:45am Delinquent Accounts & CC&R violations, and personnel

13.Open Session: 12:15pm **Secretary Ward motioned to place a lien on APN # 026 004 006 for Failure to Comply. Director Cooke seconded the motion. The motion passed unanimously.**

14. Adjournment: 12:20pm

Respectfully submitted: Amber Meyer