

Approved minutes of the regular Board of Directors meeting January 16, 2021

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

1. **Call to order:** 9:00 am
2. **Roll Call:** Directors Present: President Doug Hjelmhaug, Vice President Mike McAtee, Treasurer Joanne Schultz, Secretary Dale Ward, Director Steve Pollack, Director Jimmy Cooke and Director Roxanne Dubois (via zoom). Staff Present: General Manager- Tony Abila & Assistant General Manager- Amber Meyer
3. **Executive Session:** Delinquent accounts were discussed. **Vice president McAtee moved to place a lien on APN# 02644011 for unpaid assessments. Director Cooke seconded the motion. The motion passed unanimously. Vice President McAtee moved to place a lien on APN # 024036040 if there are no payment plan arrangements made in the next 30 days. Director Cooke seconded the motion. The motion passed unanimously.**
4. **Open Session:** 9:30 am President Hjelmhaug reported to the membership the action taken in executive session.
5. **Member/Guest Introduction/Comments:** 29 Members attended the meeting via Zoom. Members questions were submitted prior to the Board meeting and read by Manager Meyer under the corresponding agenda item. Topics included CC&R concerns around light and noise pollution, discharging firearms within the subdivision and what the rules were around this. There was a correspondence regarding the finance committee and cost accounting/allocating and why the HOA does not apply this procedure to its current budgeting practice. All correspondence that were received were read aloud during the meeting, and questions or comments addressed and answered during the meeting.
6. **Approval of Minutes of the Regular Board Meeting November 21, 2020 meeting:** **Secretary Ward moved to approve the minutes of the regular Board meeting November 21, 2020. Treasurer Schultz seconded the motion. The motion passed unanimously.**
7. **Presidents Report: President Hjelmhaug gave the following report:** Greetings and happy new year from Blue Lake Springs! As is the norm for the holiday season, we had a large amount of visitors to our community this year. The crowds have diminished but some remain due to the increase in working remotely and with some school districts offering distance learning for students. As we say goodbye to 2020 (thank goodness!), and look ahead to 2021, we are hopeful some level of normalcy returns to BLS and the overall community. We are hopeful for a return to dining in Snowflake Lodge Restaurant, greater access to our BLS facilities, a full summer recreation program, and the return of membership events and activities. While this is the time of year to be hopeful for a better year ahead, only time will tell with the covid-19 situation we all face. The grand reopening of the Snowflake Restaurant is beginning January 8th (Friday and Saturday nights) for take-

out only. Call to reserve a pick up time and place your order at any time during the week 209-795-2357. The special tamale event offered by the restaurant for the holidays was a huge success. Look forward to additional special events offered by the restaurant in the months ahead. As of this writing more snow is forecasted for Bear Valley Ski Resort over the next week or two. The resort has been operating on a limited basis so far this season, but plan to open the entire mountain this week if the snow conditions improve as expected. This would be good news for the area economy! Just a reminder that the BLS Board of directors meetings are scheduled for the third Saturday of every month. A Zoom invitation will be sent out to the membership prior to the meeting, and as always we encourage the membership to join us. Stay safe and healthy in our new year of 2021.

8. Manager's Report: Manager Abila reported

- **Delinquent Accounts:** End of year report was included with the Board book. Total of 30 accounts unpaid in 2020.
- **Fly-In Lake:** Check in office painting has been completed. Lake has been drained and work on the grizzly has been completed. Staff built a new grizzly from aluminum, with stainless steel bolts. This will extend the life of the new grizzly by an additional 5 years. Gophers have dug a number of burrows on the backside of the lake dam. Staff has been working to eliminate the gopher population. If not constantly monitored, this can create potential deterioration of the dam. Staff will be doing weekly checks. There is less gopher activity during the colder months.
- **Fly-In Park:** Trees have been replaced at Fly-In Park.
- **Lodge & Lake Area:** During an inspection of the dam by maintenance and GM, it was found that gophers have dug a number of burrows on the backside (golf course side) of the dam. As with Fly-In, weekly checks will be performed by staff. Bentonite (pond sealant that helps reduce erosion, and seal cracks and leaks. This is an all-natural clay product) was applied.

9. **Treasurers Report:** Treasurer Schultz reported the following: The finance committee met on Thursday the 14th. At that time members were alerted to three bank accounts that were compromised an electronic transfer and checks were initiated. The banks alerted us to the situation and a review of all transactions was done and 8 checks and 1 electronic transfer were found to be invalid. At this time we believe that is the extent of the breach. After these were identified, the banks have reimbursed the HOA. Two of the accounts have been closed and the third is frozen. Now that the committee has been alerted a second review of the financial reports will be done to ensure that all questionable transactions have been identified. For this reason and the number of accounts that are not up to date, we will not certify December at this time. In order to minimize our risk going forward and continue to comply with Civil Code 5500 Duty to Review Finances, the Finance Committee as a whole will continue to review the Balance Sheet, Revenue and Expense/Budget to actual, the Monthly Transaction Report, and the Report of Delinquencies as required by the statute. The bank statements will now be held in a secure electronic lock box and reviewed by the Treasurer and the President to complete the statute requirements. This is so as not to send bank statements over the unsecure internet. In March the committee will meet with our audit firm at the start of the audit process. The net income at the end of November is just over \$200K. The assessment receivables are slightly higher than in a normal year. As

of November 30th, it is just above \$77K with the long term uncollectible amount just short of \$44K There will be additional discussions on a possible increase in the non-collectable allowance for inclusion in the December financials. Fly-in has been billed for their use of the lake and payment received in December. The Payroll Protection Program Loan Forgiveness paperwork has been submitted. There is no reason to believe that this loan will not be forgiven but it is not included in revenue until the forgives is received. The loan amount is \$151,483. There remains, besides the accounts noted above, 2 bank accounts that need to be closed as a result of the transition to CID and non-use. The investment account that holds the Asset Replacement funds is invested in CD's the safest type of investment. The current balance is just over \$708K. Interest and gains are just above \$5K. \$153K is scheduled to be transferred into the account for the 2020 contribution. This puts the funded percentage at approximately 54%. 50% is the goal of the Asset Replacement Policy 500A – 17 and the board approved strategy adopted for the 2018 budget. The Reserve Study is underway and should be completed sometime in February. Once this is done we will have an updated market value basis for our percentage funded and for future Asset Replacement Contributions. There were a number of small adjustments that will need to be made for Oct and Nov. but they are minor. After the review of the Balance Sheet, Revenue and Expense statement, Budget to Actual and Bank Statements, I recommend certification for October and November 2020. **Secretary Ward moved to certify both October and November financial statements. Director Pollack seconded the motion. The motion passed unanimously.**

10. Committee Reports:

A. Summer Recreation: No report

B. Restaurant Committee: Treasurer Schultz asked to have the Restaurant Committee agenda item removed, as it was an ad hoc committee and has wrapped up. The Restaurant report will be given by Management each month. Manager Meyer reported the following: After the success of the Thanksgiving Pie Sale, Kris proposed a Holiday Tamale sale, with the goal of bringing in revenue without a large amount of expenditure. Although the sale started slowly, we ended up selling out, at over 800 individual tamales, bringing in a projected profit of \$860.00. (See Restaurant Sales Nov-Dec 2020) We had also planned as part of the Restaurants soft opening, a Chefs tasting night prior to the County going into a stricter COVID tier, and had to rethink how we could still offer the tasting without indoor dining. Ultimately we offered the same tasting as a to-go event. The tasting was well received, and broke even with a small profit of \$65.00 (See Restaurant Sales Nov-Dec 2020). The third weekend in December was our first full menu takeout weekend. It was a great opportunity for both the FOH and BOH staff to train, since takeout is not anything we have offered in the past. The weekend went well, and was a great learning experience for myself and the staff. The restaurant was closed for the Christmas and New Year's Holidays. The Snowflake Lodge is currently staffed adequately for take-out service. The kitchen staff consists of Kris, Sasha (Lead Line Cook), and Jana (Pantry and Assistant Line Cook). I also have 3 staff members in the FOH, 2 servers and 1 Busser. It works for now, but there will need to be some more hiring done when we are able to open the dining room. We have offered both

“curb-side” and in person pick up for dinner, and will continue these practices indefinitely. I would also like to address the idea that an abnormal amount of non-members have been allowed to use the restaurant while we have been open for takeout. During the tasting weekend, of the 103 people served, 2 of those people were guests of a member. Of the 94 people served the soft opening weekend, 7 were guests of a member. We continue to take lot and unit numbers, as well as name and phone number when taking reservations, and as people call in orders. The new staff is being trained to ensure only members, guests of members, and those renting in Blue Lake Springs are allowed access to the Snowflake Lodge.

C. Events Committee: No report

D. Architectural Review: Removal of trees application and septic replacement

E. Facilities/ Long Range Planning: Vice President McAtee gave the following report: There was no Long Range Planning meeting this month. The CC&R subcommittee did not meet due to the amount of board members who sit on the committee. With that being said, there has been a lot of work done throughout the month by the subcommittee, including a draft of a campfire policy, a draft of a short term rental policy, an update to the garbage spill policy, and an update on the Board of Directors duties policy.

F. EPPOC: Minutes were included in Board book

G. Fire Prevention Program: Thomas Hein submitted the following report: It was a good 30 days for BLSHA Fire prevention. Members have been taking care of their properties more than ever. I have seen many clean roofs, raked properties and clean gutters and culverts. This is wonderful news. It means that members have realized that fire prevention is a year round endeavor. Many unimproved properties were sold in 2020, and the new owners are very interested in how to stay compliant. I get less push back than I used to, for violations. More and more members just want to be safe. PG&E (ACRT & Mario’s) is still around, but their presence has been smaller, in the past 30 days. This is most likely because of the Holidays. We hope to see them out and about, during the next 30 days, removing log and debris. I do not believe Cal Fire will be conducting VIP inspections in 2021. Due to the vaccine distribution and the fact that we are still under regional restrictions, I do not believe that Cal Fire will want to have volunteers handling the inspections. If the VIP inspections do not take place, I am quite sure that the balance of BLSHA and Cal Fire doing their own inspections will be quite sufficient, if not better.

11. Old Business: a) Radio repeater purchase and location- Currently waiting on contract to install from the BLSMWC

12. New Business: a) Review of BLSHA Committees (Number of Members vs. Board Members)- Discussion was had regarding how many board members can sit on any one committee. The limit is 3 according to statute, and because of this there are some committees that will need to be restructured. Over the years, the lack of volunteers has caused more board members to sit on these committees. The Board president will serve ex-officio on all committees, with no voting right. The Board President will discuss with the LRP Committee Chair to restructure the current committee. Going forward, the Board Committee Policy will be updated to reflect the change in number of board members on each committee. b) Review Changes to

Solicitation of Candidates Form- tabled to February

13. Correspondence: No additional correspondence received

14. Adjournment: 11:30am

Respectfully submitted: Amber Meyer