

## Approved minutes of the regular Board of Directors meeting February 20, 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 and Association Legal matters were discussed.
4. **Open Session:** 9:30 am
5. **Member/Guest Introduction/Comments:** 15 members attended the meeting via Zoom. There were no questions/comments/ or concerns submitted to be read at the meeting.
6. **Approval of Minutes of the Regular Board Meeting January 16, 2021 meeting:** Secretary Ward moved to approve the minutes of the regular Board meeting January 16, 2021. Director Cooke seconded the motion. The motion passed unanimously.

**7. Presidents Report: President Hjelmhaug gave the following report:** Greetings from Blue Lake Springs! Happy Valentine's Day in advance! Well, we were hoping for snow and rain this past month, and sure enough we got more than we asked for. It has been reported that last week we received five plus feet of snow over a period of four to five days in BLS and the surrounding communities. This is the most snow in such a short period dating back to 2011. Our BLS community is in a mess due to the storm damage. We have had road closures, power outages, internet and Comcast outages that have lasted in some cases over seven plus days. There have also been many instances of trees down on cabin rooftops, so if you are a part-time resident you may want to have someone check on your cabin. All that being said, we are on the way to cleaning-up and restoration. A huge thank you goes out to the crews who plowed the roads, cleared downed trees, snow shoveled, and the PG&E and Comcast crews who have worked tirelessly for many long days and nights. Our BLS Snowflake Restaurant offerings for Friday and Saturday night take-out dinners continue to be popular. You can place your orders and pick-up time by calling the office at 209-795-2357. Also, the restaurant is offering a special menu for Valentine Day weekend, so place your orders! President's weekend/week in mid-February will bring many visitors and members to our community to ski and play in the snow. This weekend/week is the second busiest period (second to Christmas/New Year's week) of the winter months, so expect a lot of activity in our community. Stay safe and warm!

**8. Manager's Report: Manager Abila reported**

- **Delinquent Accounts:** Discussed in closed session
- **Fly-In Park:** Small tree has fallen in the cove area. Staff will clean up once weather permits.
- **Lodge & Lake Area:** Lake had approximately 4 trees come down, luckily there was no damage to property. Staff is now in the process of cleaning up debris. Staff is working on new retaining wall behind lower shop storage container. The ground has eroded to a point that the dirt is now up against the side of the storage unit. This will cause the steel to

begin to rot. The new retaining wall will be of block material and have a drain installed behind it. Total cost of project will be \$1,250.

- **Restaurant Report:** The restaurant officially re-opened January 8<sup>th</sup> for takeout only. The storm and subsequent power outage forced the restaurant to close the weekend of January 29<sup>th</sup> & 30<sup>th</sup>. Number of people served: 274. Number of reservations (homes): 106. Number of items sold (covers): 507. Total Net sales \$6,910. Labor Cost \$5,639.81 plus Operation cost \$852.19 minus sales (net of food cost) \$ 5413.67 equals -1,078.33. The budgeted loss for the month of January was \$8,504.00. That is a reduction of the deficit for the month of January of \$7,425.67.
9. **Treasurers Report:** Treasurer Schultz gave the following report: The finance committee met on Thursday the 18<sup>th</sup>. At that time members were alerted to yet another breach. This time it was via checks. After it was determined that it was Tony's computer that was breached. Our IT consultant, CID and the bank recommend a dedicated line with a separate IP address and alerts to all parties when transactions occur. This should immediately notify us of any unauthorized activity. The checks occurred at the end of January and were reimbursed in February. As stated last month, instead of the statements going through email, the President and the Treasurer are reviewing the bank statements on site so that we are in compliance with Civil Code – 5501. In March the committee will meet with CID on the 10<sup>th</sup> to review our contract and expectations; we will meet with our audit firm on the 18<sup>th</sup> at the start of the audit process; review the Reserve Study that will be brought to the board in April; and complete the January review and start February. The net Revenue over expenditures is approximately \$130K at the end of December. There are still a few reconciling items that need to be adjusted and some will impact that final number but not significantly. The assessment receivables are slightly higher than in a normal year. As of December 31<sup>st</sup>, it is just above \$77K with the long term uncollectible amount just short of \$44K. As stated last meeting, there will be additional discussions on a possible increase in the non-collectable allowance for inclusion in the final December financials. In our review of the December Revenue and Expense statement it was noted that, at least telephone and insurance may be understated in the 2021 budget. A budget adjustment will be brought to the March board meeting. There is a sufficient amount in the contingency so it will not impact the bottom line. The HOA along with many organizations have filed for forgiveness of the PPP Loans but have not gotten a response our amount is \$151,483 There still remains, bank accounts that need to be closed as a result of the transition to CID and non-use. These are being actively worked on: 4 accounts have been closed 4 more remain. The investment account that holds the Asset Replacement funds are invested in CD's the safest type of investment. The current bank balances is just over \$713K. Interest and gains are just above \$5K. \$164.5K is scheduled to be transferred into the account for the 2020 contribution. When we have the new Reserve Study and complete the reserve expenditures we will see how we are doing with 50% funded as the goal of the Asset Replacement per Policy 500A – 17 and the board approved strategy adopted for the 2018 budget process. There are a number of small adjustments and year end closing entries that will still need to be made for December as is typical for year end. I met with Tony to go over them and the committee thoroughly reviewed the items in question, as well as the Balance Sheet, Revenue and Expense statement, Budget to Actual, transaction reports and the President and the Treasurer reviewed the Bank Statements, based on that I recommend certification for December 2020 pending audit.

## 10. Committee Reports:

**A. Summer Recreation:** No report

**B. Events Committee:** No report

**C. Architectural Review:** Removal of trees application and septic replacement, deck, roof & lighting

**D. Facilities/ Long Range Planning:** Vice President McAtee gave the following report: Crisis Management – Mike to meet with Tony and Amber to assess needs.

### ADA COMPLIANCE

1. Railing and rest areas along path to pool installed by Spring – Have Materials, will install before opening day.

### SPRING PROJECTS

#### LODGE LAKE PROPERTY

1. Clean up and plant flowers at sign at Moran Rd. – Green Thumb Day
2. Culvert under tennis court. - Mazingo Construction will re-bid, will look for other companies to bid as well.
3. Children's play area - Will be installed prior to opening in May
4. Pool area retaining wall. We have a bid for \$14K, another to come - Will begin construction as soon as ground dries out

#### FLY-IN LAKE

5. Fly-In POS system. – Will discuss new card system. Cost will be an additional \$4K
6. Relocation of horseshoe pit – Before May
7. Replace stolen trees. - Have been replaced
8. Corn Hole sets

### PROJECTS FOR 2022

1. Fly-In children's play area –
2. Paddleboats / kayaks – Do we buy or look for rental sources?

**E. EPPOC:** No meeting/ no report

**F. Fire Prevention Program:** Thomas Hein submitted the following report: The last thirty days were hard on everyone. This report is all about the storm. The storm has done quite a lot of damage, in BLSHA. Many homes have damage to their decks and roofs. One homeowner has been told that their new home will have to be demolished and rebuilt. The storm caused many PG&E and communication lines to be ripped down, by the falling trees and their debris. PG&E and the plows could not maneuver with cars and trees, in the roadway. Things have gotten better, but now we are able to see the threat, under the snow. The threat of dead vegetation is everywhere, and that will take some time to clean. In 2020, we saw the worst fires in the recorded history of California. The threat of a fire in this area is a very real threat. We were lucky last year. However, luck cannot be the only remedy to the situation, in our beautiful area. I visited over 100 properties, over the past 2 weeks. There were only about 70 requests. The rest were homes that I could see damage to, such as decks and roofs. Here is the breakdown of the numbers: Trees that fell on properties: All but one site-visit. Many homes had trees blocking their driveway and/or entry way. Trees that fell on structures: 16 homes out of the 71 requests, had trees that hit their deck or home. Trees that demolished homes: One that I know of.

I do not know yet, whether there will be a VIP program in 2021. The odds do not look good. Either way, we must remain on course. Before this storm, we were scared of the 2020 CA fires. We should continue to be concerned, for 2021.

**11. Old Business:** a) Radio repeater purchase and location- Management will be meeting with the owners of the property the Association would like to install the repeater on.

**12. New Business:** a) Review changes to Solicitation of Candidates form- changes that were made to form include a 200 word limit of the candidates statement. **Director Dubois moved to accept the revised Call for Candidates form as written. Treasurer Schultz seconded the motion. The motion passed unanimously.** b) Sons in Retirement nonprofit group that holds meetings at Snowflake Lodge requests ad in Lodge Log- Discussion was had regarding who should be allowed to have space in the Lodge Log. c) Security Position and replacement- Tabled to March

**13. Correspondence:** No additional correspondence received

**14. Adjournment:** 11:25am

Respectfully submitted: Amber Meyer