

Approved minutes of the regular Board of Directors meeting March 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 (via zoom), 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 CC&R violations were discussed.
4. **Open Session:** 9:30 am Vice President McAtee moved to place a lien on APN # 023 035 014 for failure to pay assessment. Director Cooke seconded the motion. The motion passed unanimously.
5. **Member/Guest Introduction/Comments:** 27 members attended the meeting via Zoom. There was a question submitted regarding allowing a long term renter to take over member privileges.
6. **Approval of Minutes of the Regular Board Meeting February 20, 2021 meeting:** Treasurer Schultz moved to approve the minutes of the regular Board meeting February 20, 2021. Director Pollack seconded the motion. The motion passed unanimously.

7. Presidents Report: President Hjelmhaug gave the following report: Greetings from Blue Lake Springs! We are gradually cleaning up the damage from the Winter snow storm at the end of January. Downed trees and branches littered the landscape of Blue lake springs, so the cleanup process is probably going to take some time. March is the start of Spring and Daylight savings time, which we are all looking forward to. March is also the time of year we turn our attention to the Blue Lake Springs Board of Directors Election Process. We have a number of vacancies to fill, and I encourage you to consider becoming a Board Member as we work to secure, maintain, and enhance our Blue Lake Springs community. On a different topic, the Snowflake Lodge Restaurant has a new spring menu, and is currently available for takeout only. We do have a change in that Calaveras County has moved in to the red tier, and we will open the restaurant beginning next weekend for inside dining. We are pleased to have Chef Kris on board, who has supplied the restaurant with seasonal menus since her start. Have a safe and Enjoyable Spring ahead! Thank you.

8. Manager's Report: Manager Abila reported

- **Delinquent Accounts:** Discussed in closed session, additional account paid in full.
- **COVID-19:** In the board book is an updated COVID Tier information and requirement sheet. The Association will need to meet the listed requirements in each tier.
- **ADA Updates:** Handrail is complete at lower tennis court. Bench will be installed
- **Fly-In Lake:** Staff has not begun relocating horseshoe pits, but will be done prior to season opening. The end of March is the general timeframe for when the lake valve is shut for the season. The extended forecast suggests warm weather. Because of this, we will wait until the end of March to make the final determination on shutting the valve.

- **Fly-in Park:** A small tree has fallen into the cove area. Staff will clean up once the weather permits.
 - **Lodge & Lake Area:** Storm recap: All trees that fell have been removed, and brush cleaned up. The retaining wall behind the lower shop storage container has been completed.
 - **Restaurant Report:** Manager Meyer reported takeout continues to be well received, with slightly higher guest counts over January. Labor hours have been modified to coincide with expected business level. With the hyper vigilance of managing food cost as well as reduced labor due to takeout, the restaurant made a small profit in February. The reported food cost for the month is 26.09%. The 2021 Snack bar menu was also included in the Board Book for review. There was a proposal from Chef Kris in the board book for 2 additional pieces of equipment for the snack bar. **Secretary Ward motioned to approve the purchase of two additional refrigeration and freezer pieces for snack bar operation. Vice President seconded the motion. The motion passed unanimously.**
9. **Treasurers Report:** The finance committee met on Thursday the 18th. We addressed the outcome of the meeting we had with CID on the 10th, did a first review of the Reserve Study, discussed the January Financials, and discussed a meeting with the auditors which is now set for March 30th. The meeting with CID went well and in order to streamline processes and improve timing of report completion we agreed to close up to 7 bank accounts with board approval, send over a calendar of the HOA processing cycles and set up meetings quarterly with CID. And CID will develop a checklist of needed documents, will set a target of 2 weeks after month end for completion of the Financial Statements, will work with HOA to integrate the POS with credit card processing and utilize a single bank account for these processes. To that end CID offered to set up and pay for a system with square for the HOA to test. We currently have 5 separate POS/credit card processing systems. There was significant discussion on this and this will be discussed later in the agenda. Additionally, we will need to upgrade the computer that we use for these critical processes. All these changes should produce more timely financials with less adjustments necessary. Additional work still needs to be done to align the HOA budget with the CID recorded budget. A focused effort will be done on this in early April. As you might remember we had 2 breaches in different bank accounts. The positive pay process is working well and no additional unauthorized checks have been attempted. The first review of the Reserve Study showed several items that needed to be revised. After the meeting, there were only three changes remaining, so this report will be ready for distribution to the board in April as planned. The Reserve Study estimates the useful life and estimated replacement cost of major assets that ensure that the amenities, that we all enjoy, are safe, in good working condition and continue to provide the best experience for all members. When replacement is reserved at a high level, besides the enjoyment factor of these amenities, studies have shown that it serves to increase the property values by upwards of 12.6% compared to low reserved associations. This is also a major portion of our budget process. There are a number of important processes and reports that go into our responsibility as a Finance Committee and ultimately the Board. We are planning to develop a calendar of activity so the Finance Committee gets what it needs when it is most important and not conflict with other major activities of the HOA. In reviewing the transaction report, the committee requested a break out of Amazon orders so that it is easier to determine the nature and appropriateness of those purchases. That will be added to the reports that the

committee receives. An additional question came up about the cost of goods sold and changes will be made to how purchases are recorded and cost determined in order to follow best practices. This will also ensure that reports all agree. The net Revenue over expenditures for January is \$30,520. Receivables are up sharply which is typical for this time of years since invoices for member fees have just gone out. Cash flow from the billing is robust. After the review the only two items that appear to be under budget are the Telephone and Insurance as reported last month. We will need to add \$9,388 to telephone and \$12,071 to insurance for a total of \$21,459 reduction in the Contingency Budget. Bringing it to \$77,325. 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. The investment accounts that hold the Asset Replacement funds are invested in CD's the safest type of investment. The next project for the Finance Committee will be to review and update the investment policy and work with Edward Jones to look at other safe investment options that might have a higher yield and still be in compliance with applicable regulations. The draft results from the study indicate that the Reserves are well within the Asset Replacement Policy 500A – 17 and the board approved strategy adopted for the 2018.

RECOMMENDATIONS: The Finance Committee reviewed the transaction reports, as well as the Balance Sheet, Revenue and Expense statement, Budget to Actual, and the President and the Treasurer reviewed the Bank Statements, based on that I recommend certification of the January 2021 Financial Statements. It is also recommended that the budget adjustment included in the board packet be approved. Additionally it is recommended that management be authorized to close any and all unnecessary bank accounts. **Director Pollack moved to certify January 2021 financial statements. Director Dubois seconded the motion. The motion passed unanimously.**

Director Cooke moved to adjust and increase the budget for telephone and insurance. Director Pollack seconded the motion. The motion passed unanimously.

Director Dubois moved to give Management the authority to close all unnecessary bank accounts. Secretary Ward seconded the motion. The motion passed unanimously.

10. Committee Reports:

A. Summer Recreation: A discussion was had on what the summer season may look like, in terms of COVID-19 restrictions. Management will develop multiple plans to present to the Board, taking into consideration what was learned from 2020.

B. Events Committee: No report

C. Architectural Review: Removal of trees application, deck replacement, and addition of fence and breezeway.

D. Facilities/ Long Range Planning: Vice President McAtee reported the following: SPRING PROJECTS

LODGE LAKE PROPERTY

1. Clean up and plant flowers at sign at Moran Rd. – *Green Thumb Day*
2. Culvert under tennis court. - Mozinga 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*
5. Facilities Check-in software - *Reviewing*

6. Contract for addition of asphalt walkway to gym. *Will review. Possibly other alternatives*
7. Contract for crack filling upper tennis courts. *New bid. Not to exceed \$1,000.*

FLY-IN LAKE

8. Fly-In POS system. – *Will be discussed under Finance Committee Report.*
9. Relocation of horseshoe pit – *Before May*
10. Replace stolen trees. - *Have been replaced*
11. Corn Hole sets – *Before opening in May*

PROJECTS FOR 2022

1. Beautify area near lodge entry.

CC&R COMMITTEE:

1. Review Committee suggested revisions to Policies:
 - Renter Letter to Property Owners
 - #500-A-1 – Board of Directors Duties & Board Committee
 - #500-A-2 – Use of Snowflake Lodge Facilities
 - #500-A-38 – Opt-In Garbage Spill Program
2. Policies to discuss initial review/recommendations:
 - #500-A-3 – Advertising and Use of the Lodge Log, Website & Email Services
 - #500-A-14 – Smoking Policy
 - NEW - #500-A-39 – ASSOCIATION POLICY – Creating, Amending and Repealing - *These documents are in the Board Books for review.*

Director Cooke moved to approve to post Policies 500-A-3, 500-A-14, and 500-A-38 to post the Association website for 28 days. Director Pollack seconded the motion. The motion passed unanimously.

E.EPPOC: Director Ward gave a report on the EPPOC meeting, which included info on vaccines from Dignity Health. Marita Calloway has sent out letters of support to replace the old wooden flume. County crews have also been cleaning up slash from Murphys to Dorrington. Cal Fire crews are continuing to conduct fire mitigation work in the area.

F. Fire Prevention Program: This month has seen quite a lot of activity, in BLSHA. Many service providers and contractors are cleaning up the area and fixing the homes with damage. PG&E and Comcast have finished fixing the issues in the sub-division; however, there could possibly be utility cables on the properties. PG&E has asked that we tell people to please not touch the cables and that PG&E would be by to clean them up. I have seen the County trucks throughout the sub-division, cleaning the debris in the County-Right-of-Way. I did not expect them so fast, if at all. This is wonderful news! BLSHA Members have been sending in their ARC applications to re-construct their decks, remove trees and even expand their footprint. We have a turnaround time of about two weeks, for ARC approval. Mr. Ward, Tony and I have been trying to get them approved or denied, within that two week period. We are seeing more requests for tree removal, but not clear-cutting. Some properties need many trees to be removed, in order to comply with PRC4291 and the guidelines set forth by CAL FIRE, on readyforwildfire.org. I have a feeling we will see more of these requests. The office has received less calls about garbage spills, over the past couple of months. I expect to see that number climb,

since we are now in the red tier. I expect more visitors to the sub-division, over the next few months. This will most likely mean a rise in calls about lighting and garbage. This storm has filled our culverts and drainage areas along the road, with quite a bit of debris. The County is trying to clear these areas, but there will be some that are missed. These culverts and drainage areas along the road will need to be paid attention to over the next couple of months. If we find any issues, we will report them to the BLSHA BOD and the County. We plan on starting the BLSHA CC&R property inspections on April 27, 2021. We will inspect all 2,000+ properties within a 3 week time period. The appropriate CC&R violation letters will go out to all properties with violations that need immediate attention. Cal Fire will also be conducting their own inspections starting in April 2021. Cal Fire will try and get as many properties inspected as possible; however, if fires in California start to increase, they may need to suspend their inspections.

11. Old Business: a) Radio repeater purchase and location- This remains an ongoing project. b) Security Position Reorganization- An overview was included in the Board Book. **Secretary Ward moved to approve the Security Department Reorganization. Director Pollack seconded the motion. The motion passed with 6 yeas and 1 nay.**

12. New Business: a) Acceptance of Board member resignation- Discussion was had on the Board accepting Director Cooke's resignation, and how the appointment of replacement director was to be handled, seeing as there were multiple members who were interested. The Board decided to solicit resumes for Appointment at the April Board Meeting. **Director Cooke moved to solicit resumes from the membership for appointment to fill the spot he will be vacating. Treasurer Schultz seconded the motion. The motion passed unanimously.** b) Board of Directors orientation/training- All new Board will be provided with training classes and materials to aid in understanding of rules and regulations. This training documentation has been provided by the Association Attorney. **Treasurer Schultz moved to accept training documentation and materials for New Board Members. Director Pollack seconded the motion. The motion passed unanimously.** c) Directors of Election- tabled due to incorrect timeline. d) Crack Repair Bid for Upper Tennis Court- **Secretary Ward moved to accept contractors bid, not to exceed 1000.00 for repair of cracks in the Upper Tennis Court. Director Cooke seconded the motion. The motion passed unanimously.** e) Request to convert current POS system to a consolidated system for all departments- CID has offered to set up a test Square account for the Association to test out. **Vice President McAtee moved to allow CID to open a Square account to test new POS System. Director Pollack seconded the motion. The motion passed unanimously.**

13. Correspondence: No additional correspondence received

14. Adjournment: 12:05pm

Respectfully submitted: Amber Meyer