



**BLUE LAKE SPRINGS HOMEOWNERS ASSOCIATION
MINUTES OF THE BOARD OF DIRECTORS
Saturday, January 29, 2022
Snowflake Lodge and Via Zoom**

1. **Call to order:** 9:35 am
2. **Roll Call:** Directors Present: President Kevin Prosis, Vice President Roxanne Dubois, Secretary Nancy Domm, Treasurer Joanne Schultz, Directors Kayleen Clemens, Rick Giorgetti, and Dale Ward. A quorum was established.

Staff Present: General Manager Tony Abila (via zoom) and Assistant General Manager Amber Meyer
3. **Executive Session:** President Prosis reported on the Executive Session meetings held November 20th, and December 14th, and January 4th. Meeting topics included personnel discussions regarding potential employee lawsuit, collection options of judgement awarded to BLSHA from member lawsuit, CC&R violations, and proceeding with collection options on delinquent accounts.
4. **President's Update:** President Prosis's update included thanks to those in attendance for complying with COVID protection requirements and reminding members to hold comments until called upon.
5. **Open Forum-Members Comments:** 19 members attended via Zoom. 20 attended in person.
Member comments included:
 - **Food Services Committee Proposal:** Members asked exactly how revenue was going to be increased, as there were no clear plans to do so in the proposal. Another member commented on how adding more expense to the restaurant, as presented in the proposal, is any different than the current financial situation.
 - **Policy Changes:** A question was asked as to how membership is notified regarding policy changes. Secretary Domm reminded those in attendance that any proposed changes to policies have to be posted for review for 28 days for the membership review/comment, which is done on the BLSHA website prior to Board approval of those changes.
 - **Policy 500-A-2 – Use of Snowflake Lodge Facilities:** Several members expressed their feelings, concerns, and asked questions on the current policy as it may relate to private groups being charged or not being charged. Extensive discussion was had on the subject.
 - **Request for Email List:** Member asked for clarification on the timeline to receive membership email list after formally requesting.

6. **General Manager's Report:** Manager Tony Abila

- **CC&R Report:** Report was included in the Board book
- **Call for Candidates:** Included in the Board book for review is the *Call for Candidates for Directors and Candidates* qualification form
- **Fly-In Lake:** New Fly-In Lake sign has been started by staff. Staff will be shutting the lake's valve at the end of the first week in February. This is a direct result of last year's lack of water flow in March. If Management finds significant storms are in the forecast, the valve will be reopened to reduce the water level as necessary.
- **Generator:** In the Board book for review is a bid from a contractor to install an additional transfer switch on the main service. The additional switch will operate the entire building in the event of a power outage. Currently, the generator only operates the kitchen and refrigeration. President Prosis moved to **"Accept the bid from Arnold Electric for installation of a transfer switch on the generator at Snowflake Lodge, not to exceed \$6,580"**. The motion was seconded and passed unanimously.
- **Restaurant Report:** Included in the Board book for review are the restaurant reports for November and December 2021. November was a steady month with guest counts remaining consistent with previous months. The live music event on November 27th was well attended. Management will continue to explore scheduling similar events to drive restaurant volume in the off season. The cost of goods sold percentages for November was 31.12% and December was 29.33%. December was challenging with closures for the Christmas Holiday and the weekend after caused by storms and power outages. The New Year's Eve party was cancelled causing a minimal \$273 food loss which was tracked in food inventory/waste. The Association is researching and will address ramifications of serving Association-purchased alcohol at its events, and in the meantime, will suspend the practice until it's determined there's no liability for the Association. The Events Committee will update the Board with its findings.

7. **Food Services Committee:** Rick Giorgetti, Chair

- **Existing Lodge Manager Job Description:** An updated Lodge Manager description, with a request to rehire this position was presented. Assistant General Manager Meyer is currently filling the role along with AGM duties. Hiring a full time Lodge Manager will aid in redistributing responsibilities and assist with any changes or updates to the current operation in the future. Discussion included if the position was warranted as full time. Director Giorgetti moved to **"Post the Lodge Manager position for hire, with salary and benefit range to be approved by the HR committee."** The motion was seconded and passed with 4 ayes and 3 nays.
- **Operating Model and Proposed Budget:** Director Giorgetti presented ideas proposed by the Food Services Committee to increase restaurant revenue as well as a proposed budget for the Snowflake Lodge. The current monetary deficit contribution from membership would remain about the same.

8. **ARC/Facilities Fees and Usage:** Dale Ward, Chair

- **ARC:** 2 new applications were received; one change of paint and one deck/septic. Both applications were approved.
- **Fee Update:** Director Ward proposed the Committee's updated facility usage fee structure to be submitted to the Board shortly for review.
- **Ad Hoc Rental Committee:** Minutes from the Rental Committee were included in the Board book. Discussion included the potential implementation of an incident report for members to

communicate CC&R violations during peak season as it relates to rental properties.

9. **Secretary's Update:** Nancy Dommès

- **Association Name Uniformity per Articles of Incorporation/CC&Rs/Bylaws:** Secretary Dommès proposed in order to be consistent with Association's governing documents and promote uniformity to refer to the Association as "Blue Lake Springs Homeowners Association" or BLSHA.
- **Motion Log:** The updated motion log was included in the Board book for review and will be published bi-monthly.
- **Minutes of November 20, 2021:** Director Clemens requested an amendment to the November 20, 2021 minutes to reflect an end date to the update of the BLSHA website. Secretary Dommès moved to **"Accept the Board of Directors' meeting minutes of November 20, 2021, as amended."** The motion was seconded and passed unanimously.

10. **Board Committee Reports:**

- **Facilities and Long-Range Planning:** Roxanne Dubois, Chair
 - a) **Security:** Vice President Dubois reported the committee had reviewed bids to upgrade security at the facilities and is recommending the Board engage Granite Peak Alarm. Vice President Dubois moved to **"Accept the bid from Granite Peak Alarm for a new security system and alarm, as bid."** The motion was seconded and passed unanimously.
 - b) **Playground:** Vice President Dubois included in the board book for review two proposals for potential playground equipment. Discussion was had regarding the equipment, install, and what children may like. The project will go back to FLRP for more review and discussion.
 - c) **Dog Trail:** FLRP is working with Management to explore installing a dog trail at Fly-In Park.
 - d) **Parking at the Lodge:** Discussion of possible improvements to the Lodge parking lot, and the committee will continue to explore possible solutions to assist drivers getting in and out of the lot.
 - e) **Shuttle Service:** The committee is exploring the idea of offering a summer shuttle service to help relieve overcrowding of the parking lot.
- **Events Committee** – Nancy Dommès, Chair
The Events Committee will meet in February and has multiple items to discuss, including a set of Policies 1300 - Winter Recreation. Within the Policies are guidelines which apply to the Events Committee that will help direct and guide the Committee while planning events.
- **Governing Documents Committee** – Nancy Dommès, Chair
 - a) **New Member:** Vice President Dubois was welcomed as a new member of the committee.
 - b) **Policy 500-A-41 – Reserve, Operating and Other Cash Investment Strategies:** The committee has worked with Treasurer Schultz on this new policy. Because of recent changes surfacing, Treasurer Schultz requested revisiting this policy at the February meeting.
 - c) **Policy 500-A-2 – Use of Snowflake Lodge Facilities:** Secretary Dommès gave a power point presentation on the merits and obligation of management to enforce Policy 500-A-2, established in Nov. 1991. The Policy is clear in outlining when Lodge user fees must be levied by category: *Private Use for Activities Available to Membership, Secondary Uses for Private Activities by Membership*, and *Outside Events*. BLSHA Policies 500 A & B series, as well as Policy 1300 series will eventually be posted on the Association's website.
- **EPPOC** - Director Clemens reported the following: December meeting minutes included in the board book. Director Clemens reported out to EPPOC BLSHAs continued efforts to minimize

fire danger within the community. Director Clemens also reported BLSHA has moved to Elections done by an outside service, and she encouraged other HOAs to do the same. It was also reported BLSHA has a shortage of personnel, and is looking at ways automate check in processes.

11. **Fire Prevention Program**: Thomas Hein, VIP Coordinator

- CA Civil Code 3479: California law says that if a healthy tree is brought down during a storm, then it is an “Act of God” and therefore the owner of the tree is not liable for any damages to the neighboring structure or property: however if the tree was dead, diseased, and/or dying the owner of the tree may be responsible for the damages under the CA Civil Code.
- VIP Inspections.: This year’s inspections will look a little different than years past. CAL FIRE will have the VIP program, but it will be more technologically advanced. All inspectors will need to use a device to complete their inspections. It will require being able to take pictures of all violations, confirming building materials, and possibly uploading information to the CAL FIRE collector app, while at the property. This year, all members will receive their LE 100 electronically.

12. **Treasurer’s Report**: Joanne Schultz, Treasurer

- During the recent Finance Committee (FC) meeting:
 - November financials/Preliminary December close financials were reviewed
 - Recapped monthly CID meeting
 - Reviewed required monthly documentation, including Amazon invoices
 - Reviewed current reserve expenditures
- November Financial Review per Balance Sheet:
 - a) Operating Cash - \$374,912 (down from October’s \$510,270)
 - b) Receivables - \$33,902 (includes bad debt allowance of \$70,000)
 - c) Reserve Fund - \$1,025,883
 - d) Total reserve expenditures not yet removed - \$83, 171
 - e) Net revenue over expenditures - \$380, 217 (up from October’s \$333, 161)
(Increase due to PPP Loan forgiveness along with continued trends seen in months past.)
- Preliminary Close for December Financial Review per Balance Sheet:
 - a) Operating Cash - \$638, 351 (up from November’s \$374, 912)
 - b) Receivables - \$11, 610 (includes bad debt allowance increase of \$90,000)
 - c) Reserve Fund - \$957, 203
Two unscheduled heating/air conditioning units needed emergency replacement. The amount for both, not scheduled for 2021, is \$20,904 with a scheduled reserved amount of \$39,200. The expenditures require Board approval.
 - d) Net revenue over expenditures - \$351,419 (down from November’s \$380,217)
Reduction due to two accruals and the PPP loan forgiveness along with savings from unfilled staff positions. Given the large net income and culvert repair costs which were not originally included in the Reserve Study, the Treasurer recommends adding \$1000k to the Reserves.
- Report Certification Disclaimer: Certification recommendations presented by the Treasurer and

Finance Committee do not signify reports are perfect and/or are 100% accurate. Certification indicates the reports have been reviewed and necessary adjustments identified. It is the opinion of the Treasurer and Finance Committee that further review and/or any identified changes would not be material.

- Recommendations

- November 2021 Financial Statements. In Accordance with Civil Code §5500, the Finance Committee reviewed the November 2021 transaction reports, as well as the Balance Sheet, Revenue and Expense statement, Budget to Actual, and a Director and the Treasurer reviewed the Bank Statements. The Board has received the November 2021 financials and a transaction report. Bank statements are available upon request. Treasurer Schultz moved to **“Ratify the November 2021 financial statements whereby review requirements of Civil Code §5500 have been performed by at least two Board members and the full Board has received financial statements for November 2021”**. The motion was seconded and passed unanimously.
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- Approval of Expenditures from the Reserve. Treasurer Schultz moved to **“Approve the expenditures from the reserve fund of \$20,309.04 for the emergency replacement of two HVAC units.”** The motion was seconded and passed unanimously.
- Reserve Contribution: Treasurer Schultz moved to **“Increase the Reserve Fund contribution by an additional \$150,000 for 2021 given the increase in the revenue and the savings from unfilled staff positions.”**. The motion was seconded and passed unanimously.

13. **Adjourn:** Meeting was adjourned at 1:40pm. The February Board of Directors meeting will be determined and published.

Minutes recorded by Amber Meyer, Assistant General Manager

SECRETARY’S CERTIFICATION:

I certify the foregoing is a true and correct copy of the minutes approved by the Board of Directors.

Nancy Dommès, BOD Secretary

Date