

**MINUTES OF THE BOARD OF DIRECTORS
OF THE BLUE LAKE PROPERTY OWNERS ASSOCIATION**

AUGUST 12, 2017

A special called meeting of the Board of Directors of the Blue Lake Property Owners Association (BLPOA) was held August 12, 2017 at the Blue Lake POA office, pursuant to notice to all members.

Present: President Johnny Burgess, Vice President Ron Smith, Treasurer Joe Moore and Secretary Jerry Bennett. Also in attendance were Blue Lake Property Owners Gary Baty, Leah Roust and Christine Nicknish.

Call to Order

The meeting was called to order at 10 a.m. by BLPOA President Johnny Burgess. Johnny said the primary goal of this meeting was to formulate and approve the 2017-2018 BLPOA budget and discuss the Director opening created by the resignation of Cindy Bosl on July 26.

Gary Baty asked to address the Board regarding a complaint he sent to the POA about five pods on the property at 3210 Golf Course Drive. Johnny said he had spoken with the owner several times including as recently as last week. The owner has been dealing with his insurance company and attempting to find a contractor to do the work. No remodeling permit has been requested by the owner or issued by the POA. In his complaint, Gary asked for the status of the situation and asked Johnny to contact the property owner again and ask for immediate removal of the five pods. Johnny suggested Gary circulate a petition that could be sent to the property owner. Gary said it was the President's responsibility to take action not him as an individual property owner.

The Board discussed the difficulties of POAs and HOAs enforcing nuisance complaints and the fact that our 30 year old Covenants were written before pods were invented. Ron thanked Johnny for staying on top of the problem but recommended that any further conversations with the homeowners should be by the entire Board. Johnny asked Board members to postpone a decision and asked Board members to review the Covenants to determine if there was guidance for approaching the property owners. Ron showed the Board an example in the Covenants as did Johnny and Board voted to prepare the draft of a registered letter to be sent to the property owners for review by the Board next week to be followed by sending the actual registered letter. The Board approved the motion 3-1 to proceed. Johnny voted no. He indicated that a building permit had not been requested or granted therefore it was not a violation of the Covenants. He further pointed out that pods may be used in a variety of situations, not just in construction. These include storing items during a flood or fire, storing of items in a long term storage situation where in the pod is returned to pod storage, moving of personal items to another state, and pods can be utilized as shipping containers for overseas shipment. It can be assumed that

simply pods are at a house that construction is occurring. Jerry suggested that successful resolution of this particular situation would provide this Board and future Boards with a precedent for future problems with temporary remodeling structures.

A motion was made to approve the minutes from the annual meeting on July 8 and the special meeting of the new 2017-2018 POA Board on July 8 was made and seconded. The motion was unanimously approved.

Johnny asked the Board to discuss several documents he had previously distributed for 2017-2018 budget discussion.

The first document was prepared by Bruce Lomax. Johnny thanked Bruce for preparing the list of POA-owned buildings that need repairs—primarily storage facilities used by the Blue Lake Golf Club adjacent to the golf course and storage facilities shared by the POA and the MUD located adjacent to the dumpsters. Bruce will oversee the projects and approve costs estimated to total \$6,000. Johnny asked the Board to approve the projects. Joe cautioned the Board on the limited amount of funds available for all projects suggesting that some items under consideration today would have to be deferred. Jerry questioned prioritizing funds for updating POA-owned buildings before discussing other needs including several that are parks related. The Board approved the projects 3-1. Jerry abstained.

The Board approved funding water weed treatment at Wennmohs and sucker plants treatment at the tennis courts. Leah will apply the chemicals but not the removal of treated plants.

Other proposed parks related projects including replacing the fencing at Wennmohs and tree trimming were discussed. Rather than approving or disapproving the bid for new fencing, Ron suggested we consider other options. He will contact Tim Webb, a contract employee for the MUD, for his ideas. Jerry will speak with Sam's Nursery & Landscape for alternatives as appropriate following Ron's discussion with Tim. Joe suggested pipe and chains as deterrents for vehicles entering the parks as a less costly solution than split rails and posts with ropes.

Jerry said he has received a new lower estimate on tree trimming at Devil's Hollow but considering the lack of budget to afford the project will defer any tree trimming this season.

Jerry will also determine a permanent solution to soil washing out along the flat fitness walking trail at Devil's Hollow. He will ask for ideas from several vendors but acknowledged no action will be taken at this time because of funding issues.

Jerry asked the Board to approve a 2017-2018 contingency fund of \$1,500 for the parks to include possible replacement of a pump and applying pre-emergent chemicals to all parks in October. The Board approved his request.

Johnny asked the Board to be considering repairing the park road at Driftwood. Several suggestions were discussed. Leah Roust asked if recent road repairs at Wennmohs were done

properly. Johnny said the work there has one year warranty and he will follow up with the contractor.

Johnny said Sam's Nursery & Landscape has informed him they will maintain the existing rate when they present a new proposal at the expiration of the current contract in March 2018.

Treasurer's Report

Joe Moore presented his treasurer's report, a copy of the July financial report is attached to these minutes. He reported 2016-2017 was a very good fiscal year for Blue Lake POA under Johnny Burgess's leadership. Fiscal responsibility, husbandry of the capital assets, and repair and upgrading of the POA facilities were the focus for the year. While Blue Lake POA has a large amount of cash in the money market, over \$60,000 of the funds is dedicated money owed to landowners reimbursable from their deposits, as well as dedicated funds donated specifically for a new community center. Because of these restrictions, these funds cannot be used for any other purpose. Pursuant to a 2008 POA Board vote, a reserved account was established for major repairs and replacement of POA facilities of \$40,000. These reserved funds are for major repairs and replacement of current POA facilities such as bulkheads, air conditioners, roofs, irrigation pumps, etc.

For 2017-2018 fiscal year, the proposed budget has expenditures of \$67,000, leaving only \$24,000 in excess available cash. This is of special importance because in 2016-2017 fiscal year, under an austerity budget, the POA had a negative cash flow of \$10,000 due to increase in day to day maintenance expenses and much needed repairs on the community center and irrigation pump.

The annual dues do not cover the annual expenditures due to increase costs of mowing, electricity and water. While we do not anticipate as great a loss this year, we do anticipate a loss and needing to pull funds from the excess available cash in order to cover the maintenance and care of our facilities and properties. Joe said it is easy to see at this burn rate of our excess cash, we do not have the excess capital to continue to operate without exhausting all cash we have and it is because of this that is imperative to raise the annual dues.

Gary Baty asked if the Board had considered using the money raised to build a new community center to sustain the POA during the next year of no additional dues increases. Discussion followed and the consensus was that it might be possible but difficult. Jerry said it was his belief and he thought the feeling of this Board that a rate increase will be proposed and approved by property owners for FY 2018-2019. Board members agreed.

Following a meeting last week with the POA insurance agency, the Board agreed to two changes to its policies. A tenant agreement of some type between the occupant of the POA-owned golf superintendent's house and the POA will be created. A volunteer agreement will be created to

be signed by any volunteers operating POA-owned equipment. Ron will take the lead in creating both documents for review by the Board.

Leah brought files she had from her years serving on the Board and offered them to the Board. Jerry thanked her and suggested they be labeled and placed in readily-available folders for this and future Boards. Leah said she will get with Sharon Bowen to do just that.

Golf Club Update

BLGC Board Member Christine Nicknish updated the POA Board on golf club activities saying the course is doing well but could always do better. A replacement for a vacancy on the BLGC Board has been found.

Adjournment:

There being no further business, a motion was made to adjourn. The motion passed, and the meeting was adjourned at 12:30 p.m. following a brief executive session. Johnny said there will be a meeting in September followed by a quarterly meeting in October.

ATTEST:

APPROVED:

Jerry Bennett, Secretary

Johnny Burgess, President