

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

AUGUST 8, 2016

A special called meeting of the Board of Directors of the Blue Lake Property Owners Association (BLPOA) was held August 8, 2016 at the Blue Lake Community Center, pursuant to notice to all members.

Present: President Johnny Burgess, Vice President Leah Roust, Treasurer Joe Moore, Secretary Jerry Bennett and Lavonne Blalock as elected members of the BLPOA Board of Directors. Chris Purcell was absent.

Burgess, Roust, Moore and Bennett are designated to be placed on the American Bank of Texas signature cards.

Also attending were BLPOA Building Official Tracy Schiemenz, MUD Board Member and Golf Club Board Member Bruce Lomax, Golf Club President Ken Taylor, Blue Lake Social Committee Officers Karen Smith and Tina Burgess, Golf Club Board Member Christine Nicknish and Property Owner Denise Wolfe.

Call to Order

The meeting was called to order at 9:30 a.m. by BLPOA President Johnny Burgess. A motion to approve the minutes from the July 2, 2016 annual meeting was made by Leah and seconded by Joe. The motion was unanimously approved.

Johnny noted this was the first meeting of the new fiscal year and complemented the Board on what we have accomplished during the past year. He acknowledged the fiscal conservative approach of this Board adding this Board works very well together.

Architectural

Tracey said his recent time spent has been at a minimum with only two large projects, a new build, a large remodel and another remodel. He reported a property owner on Blue Mountain Trail has sent an email expressing concern about a possible encroachment on his property by a new owner. Tracey said he would assure the property owner that this Board would never allow that. Johnny said the Board would review Tracey's continuing full-time role in Executive Session following this meeting.

POA Property Improvements

Johnny said he would ask the Board to discuss and approve a number of proposed improvements to POA-owned buildings and other properties including the community center, firehouse and golf course related facilities. He asked Bruce Lomax to brief the Board on the

recent failure of the two large lake pumps located in Devils Hollow Park that provide an emergency back-up water supply for the golf course. Bruce said the pumps were activated following a shut down by The City of Horseshoe Bay of the recycled waste water plant that provides water for the golf course. After consulting with the manufacturer of the equipment and Pedernales Electric Co-op (PEC), it was determined there was a power failure or surge that damaged the equipment. With Board approval, Johnny agreed to provide funds to order replacement equipment while Bruce and Golf Club President Ken Taylor initiated repairs and contacted the insurance company regarding coverage of the damage. PEC strongly advised replacing the existing 50-year old transformer with a new robust model that will prevent future power surges. PEC would pay for new transformer, pole and installation. The POA will be responsible for new connections to the pump house and adjacent firehouse which is served by the same transformer. Insurance will cover cost of damage minus a \$1,000 deductible. Bruce recommended updating related equipment as a part of the work.

Johnny reminded the Board of the recent inspection he had ordered for the Community Center that has resulted in updated air conditioning, plumbing and pest control programs. Bruce, working with Art Greene, is addressing electrical issues and possible safety issues involving hand rails and exterior lighting.

Ken took the Board on a tour of the Pro Shop noting updating that he will be proposing to the POA Board. Joe asked for a sketch of the proposed work and Johnny asked for a budget of remodeling expenses to be emailed to the Board.

Mark Smith described improvements underway on the building's exterior including new irrigation system, plantings and siding.

Joe made a motion that the Board approve all these expenditures and include in the 2016-2017 BLPOA budget. Leah seconded and the Board unanimously approved.

July 2016 – June 2017 Scope of Work Budget

Presented by Bruce Lomax

Work at lake pumps:

1) Five Star Electric for control panels	\$6,600	
2) PEC work to install new transformers for pump house & firehouse (\$7,500 value)	\$0	
3) Heritage Electric – Lake Pumps		
a) new fuse box, replace aluminum wires with proper sized copper, new ground wire	\$1,200	
b) Install new voltage surge protector	\$1,200	
Less: insurance coverage	-\$8,000	
Total:		\$1,000

Work at firehouse:

1) Heritage Electric to install new meter and replace obsolete/unsafe Federal Pacific fuse box (fire siren will be inoperable) *	\$1,550	
2) Work at lake suction for irrigation, lake pumps, aeration pump suction:		
a) New work platform (bolts & paint)	\$100	
b) rework PVC piping at suction	\$50	
c) replace sieve material at sluice entrance	\$150	
Total:		\$1,850

Clubhouse work:

1) Work by Art Greene and Bruce Lomax -		
a) Extend handrail at rear walk (metal)	\$100	
b) Install dusk/dawn switch and replace bulbs at flagpole light	\$50	
2) Work to replace irrigation system by Lomax and Mark Smith (material only)	\$200	
3) Work by contractor (Gus or other)		
Labor \$15/hour x 25 hours	\$375	
Materials	\$650	
a) Rework beds around clubhouse		
b) Replace horizontal trim boards side garden with hardi-board		
c) Re-caulk and paint all vertical side butt joints		
d) Plane sticking exterior bathroom doors		
e) Re-caulk joints at rock walls and steps		
f) Caulk exterior light fixtures		
g) Replace, paint, caulk small trims at steps		
Total:		\$1,375

Grand Total: \$4,000

Jerry raised questions regarding the POA-owned area immediately west of the community center. He expressed concern that the land has not been returned to its original condition following the MUD allowing the road construction companies to store equipment and supplies for the past seven months. The majority of the land has been stripped of vegetation including grass. He asked if the MUD should reimburse the POA for the use of the land so grass—possibly like that on the adjacent golf course—can be planted before erosion occurs. He said, working with the golf course grounds crew, the area could take on a park-like appearance rather than the dumping ground it has become. Ken said the golf board has some ideas for using the area similar to the putting green that was recently installed. Leah expressed concern about the loss of any space for overflow parking for large meetings in the community center. Social

Committee Chair Karen Smith said she felt overflow parking could be accommodated across Bluebonnet Road for the few occasions when needed and to focus on making the area more attractive and better utilized. Mark Smith agreed. Jerry asked why gravel was continuing to be stored there and who should work on a beautification of the area along Bluebonnet Road. Speaking for the MUD board, Bruce said the MUD would entertain suggestions from the POA to share the costs of improving the area following the damage that occurred from the construction companies and he would have the contractor who maintains the MUD right-of-ways to clean up the area adjacent to the road. Johnny asked Bruce, Ken and Leah to put together suggestions for the area and to report back to the POA Board. They agreed to meet and report back.

Golf Club Update

Ken said the hot weather is impacting revenues but memberships are steady and he is looking forward to a strong fall. He said there will be three vacancies on the golf club board at the end of 2016.

Social Committee Report

Karen and Tina have asked that outdated trash collection system be improved with installation of cabinets to store trash cans when not in use. They also presented a proposed annual budget for maintaining the facility.

Clubhouse cleaning	\$202.52
A/C maintenance contract	260.00
Carpet cleaning	300.00
Window cleaning	150.00
Pest control contract	<u>200.00</u>
Total	\$1,112.52

The POA will begin paying a portion of the electrical costs of the community center. The Board asked to discuss the percentage rate at a later meeting depending on expanded use of the building following Pro Shop remodeling. Leah will investigate the cost of DirecTV in the building and the possibility of accessing the existing Northland Cable coverage in the Pro Shop.

Treasurer's Report

Joe presented the budget which is a part of these minutes. Expenditures for the year are estimated at \$62,000. Assessments are continuing to be received but are still \$10,000 short. He continues to work with Sharon on proper re-allocation of all items. Jerry says he anticipates expenditures in the parks at approximately \$2,500 which will include LCRA expenses of \$800 and \$1,500 for a new barrier fence at Driftwood Park. He has estimates for continuing tree trimming in the parks of approximately \$13,000 but with the failure of the assessments increase

will recommend deferring to a later date. Leah reported bills for boat and trailer storage facilities have been mailed. She estimates water weed treatment costs of \$1,300 for the year.

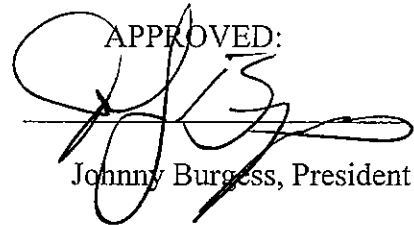
Johnny announced the Board would go into executive session at 11:30 a.m. and excused everyone except the Board. In that session, the Board approved converting the agreement for the architectural consultant from monthly to hourly/as needed because of the lack of building activity.

Adjournment:

There being no further business, a motion was made to adjourn. The motion passed, and the meeting was adjourned at 12:05 p.m.

ATTEST:


Jerry Bennett, Secretary

APPROVED:

Johnny Burgess, President

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* This will make this compatible w/ PEC work.

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July 2016 – June 2017 Estimated Clubhouse Annual Expenses

			Account #
Housekeeper	9 x year @ \$90	\$810	6020.1
Windows washed	1 x year @ \$300	\$300	6020.4
Carpets cleaned	2 x year @ \$300	\$600	6020.3
A/C Maintenance	2 x year @ \$130	\$260	6020.2
Electric bill	12 x year @ \$200	\$2,400	new acct.
Total		\$4,370	

Blue Lake Estates POA Treasurers Report

Aug 2016

The following are the current balances in the accounts controlled by the BLEPOA along with the supporting balance sheet for the month ending July 2016.

Bank of Tex account 111864 operating account	\$ 250.39
Bank of Tex account 110450 Money Market Gen fund	\$ 113,866.63
Beautification Fund	\$ 501.57
Fire Works Donations	\$ 6,665.00
Building Permit Rebate	\$ 9,350.00
1018 Inspection Fee	\$ 3,092.50
Total Money Market Funds 110450	\$ 133,475.7 (1)
Boat and storage	\$ 8,168.73
Replacement Fund CD 7005007	\$ 40,000.00(3)
Community Fund (Dedicated Funds)	\$ 32,640.75(2)
Total Assets, Cash	\$ 214,535.57

Because of the dedicated and refundable funds and the liability for the ongoing expense through the end of June, the true total useable cash assets are \$122,787.32

- (1) In this account are non-segregated funds that are due to residents in the amount of \$9,350, Beautification Funds \$501.57 and 1018 Inspection Fee \$3,092.50. Further this account show a balance with an un-cleared deposit that was made after the bank statement was issued.
- (2) These funds are donated by residents for specific projects and can only be used for those dedicated projects and not for general use or budget calculations.
- (3) This fund was created to hold monies designated for replacement of infrastructure, ie. AC units, bulkheads, roof repair and or insurance deductibles.

There is an unstated Liability of the Irrigation pump repair that is not listed on this report. This repair is under consideration as to who will pay for the repairs. Currently there are discussions with the insurance company to see if the repairs are covered by our policies. Further there are potential liabilities for pier repair that could reach \$3,000. This \$3,000 is only an estimate and until a bid is secured we do not know the real liability or cost of the repairs.



Joe F Moore Jr.