

Reminder:

- *The gates must always be closed after each use per the Court Order.*
- *All pets must be on leash and under control.*
- *Members will be fined for violations. See www.beaverlakes.org/documents/ for more information.*



Board Meeting

September 8, 2018 - 8:00 A.M.

Board Members Present:

Adam Wiens, Bob Dixon, Andy Olear, Ken Berendt, Floyd Strader, Rich Boon, Eric Flora

Board Members Absent:

Karen Runowski

Lot Owners Present:

Margret Sjoden, Warren Flint, Glenn & Leona Brenchley, Mark Larsen, Dena Strader, Nancy Berendt, Jim Perkins, Alaina Gingras, Chris Kearns.

Caretaker Present:

Mark Larsen

Agenda

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| 1. Open meeting | Adam, President |
| a. All members please sign in | |
| b. Board members present; excused absences | |
| 2. Treasurer Report | Andy, Treasurer |
| 3. Caretaker's Report | Mark, Caretaker |
| a. Progress Report | |
| b. Equipment Status | |
| 4. Ratify Board actions since last meeting | |
| a. Increase number of Board members | |
| b. Appoint Bob Dixon to new position | |
| 5. Election of Board officers | |
| 6. Update voting and proxy process for annual member meeting | Bob/Group |
| 7. RV Storage | |
| a. Survey results | Ken |
| b. Rules & Regulations updates | Group |
| 8. Financial review of past years and preview of budgeting meeting process | Bob |
| 9. Major equipment, maintenance, and improvements needed at BLE Group | |
| a. Equipment | |
| b. Roads | |
| c. Dams | |
| d. Cabins | |
| e. Campground | |
| f. Water | |
| g. Other (e.g. ditches, yard, shed, gates, corral, etc.) | |
| 10. Discussion topics (from annual member meeting) | Group |
| a. Potential sale of BLE owned lot | |
| b. Dam repair status | |

- c. Water rights update
- d. Annual BLE volunteer workday
- e. Gate damages
- f. Fire restrictions
- g. Fishing rules and violations
- h. RV and camper storage rules change

11. Adjourn

Adam, President

Minutes

1) Open meeting

Adam, President

- a) Adam called the meeting to order at 8:10 am.
- b) Karen Runowski was unable to attend and the Board voted as an excused absence. Adam has a proxy for Karen.

2) Treasurer Report

Andy, Treasurer

The current year member dues are mostly paid but the number of members has reduced from 184 planned in budget to current 181 which slightly reduces the total dues received and under the budgeted amount. Andy noted the payroll has budget included for additional personnel to support dam work, road grading, extended snow plowing, etc. BLE is currently a little over budget in payroll but under budget in contractual labor, so overall personnel expense is in good shape. The biggest expense other than payroll is road and equipment maintenance. Road maintenance is currently over budget which is expected since summer is the high expense period for maintaining the roads, buying road base, etc. We're a little under budget on cabin rentals due to unforeseen circumstances requiring some to be closed. On the balance sheet we're continuing to build the heavy equipment fund which will be needed since our equipment is quite old.

Andy noted that Ed Kuiper is stepping down as BLE assistant treasurer and hired a new treasurer has been hired. The Board expressed its deep gratitude to Ed for his many, many years of excellent service to BLE. The new assistant treasurer is Gracie Haasbeek.

3) Caretaker's Report

Mark, Caretaker

a) Progress Report

Roads are in the best shape they have been in quite a long time. The new carbide blade on the grader is working very well at breaking up the rocks in the road but it does stress the grader as it crushes the rocks. Fortunately, the more the rocks get crushed the better and easier it will be to maintain the road. As we dig deeper in the roads, it does bring up more clay which is good when dry but muddy and slippery when wet.

b) Equipment Status

Most equipment working well but continues to require continuous maintenance which takes a significant amount of Mark's time.

4) Ratify Board actions since last meeting

- a) Increase number of Board members. Rich moved the Board ratify the action from the member meeting to increase the number of Board members by one; Ken seconded the motion which passed unanimously.
- b) Appoint Bob Dixon to the new position. Rich moved the Board ratify the action from the member meeting to appoint Bob Dixon to the open seat, Floyd seconded the motion which passed unanimously.

5) Election of Board officers

Due to personal and job commitments, Adam stepped down as President. Bob agreed to run for President which passed unanimously, Adam agreed to be Vice-President which passed unanimously. The others currently in positions agreed to remain, specifically: Rich- parliamentarian, Eric - Secretary, and Andy – Treasurer, which passed unanimously.

6) Update voting and proxy process for annual member meeting

Bob

Bob discussed the voting process and suggested we separate the proxy and the ballot to avoid potential to correlate the proxy and the ballot since the proxy must have the member's name but the ballot should not

reveal the member's name who submitted it. Bob suggested we only allow voting by mail to simplify the process and avoid potential confusion on the day of the member meeting. Others felt members BLE should continue allowing members to bring a sealed vote and proxy the day of the meeting. Marge Sjoden suggested that we don't put the board members' names on the proxies as potential proxy recipients, so members can put whomever they wish and likely get a broader spectrum of proxy holders. Rich noted other organizations allow members to give proxies to Board as a whole plus some limit how many proxies a member can hold.

Bob moved we switch to the separate ballot and proxy, add proxy option of "Board member, no preference", and continue to allow members to bring them to the meeting. Adam seconded and the motion passed unanimously.

7) RV Storage

a) Survey results

Ken

Ken presented the survey results which will be posted to the web site. There were 41 (23%) valid responses. There were some duplicates in which case one of the responses was eliminated. The responses were 22 to allow storage and 19 not to allow storage. Of the people that said yes, the following are the averages of the responses to the follow-up questions:

- a. Allow the storage for 128 days
- b. Allow up to 7 spots be used for storage
- c. Charge \$40/month

The survey also allowed comments. Bob noted that one of the yes responses indicated the number of RVs allowed should be zero. It was noted managing the RV storage also takes time for the caretaker. Marge Sjoden noted that in 25 years she has never seen more than 2 RVs stored by the campground. Bob added that things like vacation rentals and rules violations were minimal issues in the past but recently have exploded. RV storage could become a much bigger issue in the future and we should put rules in place before that happens. Bob also noted that on some weekends when there are no reservations, there still have been many vehicles in the campground. Adam expressed that he feels personal property (RVs and other personal items) should be stored on the member's lot, not on common property owned by the entire membership.

Adam indicated there may be an issue with at least one RV being stored that doesn't appear to be registered to a member. As an example of other rules violations, Bob noted that there are 12 (about 9%) of BLE that advertise as rentals plus we have evidence of others being rented without being properly licensed with the state and paying appropriate taxes. The rentals have a significantly higher level of fishing and rules violations. This indicates a significant portion of members that continue to violate the rules.

Adam moved that the Rules and Regulations be modified to not allow any personal property be stored on common areas in BLE. Bob seconded. Alaina Gingras expressed support for the motion since it uses the common property but benefits a very small portion of the membership. Bob noted that people who purchase RVs should consider where they will store their RV prior to purchasing it. Andy indicated he isn't sure why we limit people to only store their own RVs on their lots. Dena Strader raised the potential issue of BLE liability and insurance coverage for private property stored on common areas. The motion passed with 6 yes and 2 abstentions.

Dena Strader noted that the yurt people in the past have parked on our property and recommended BLE be proactive to prevent it in the future.

b) Rules & Regulations updates

Group

Bob discussed the rules change process for the member meeting. Adam noted the Board must consider the entire community, not just the few verbal members that may be expressing the opinions of a small group. There was an extended discussion on how changes can be made at members meetings and options to avoid a small group pushing changes through without the broader membership and Board

having a chance to fully understand options and the best one for the broader membership. One possibility is to only allow changes to be made on issues that have been put on the agenda prior to the meeting. It was also suggested we change the By-Laws to require a 67% vote to pass.

Bob moved to add to 7.1b of the By-Laws to read "Rules and Regulations duly adopted by the Board can be changed by an affirmative vote of 67% of members present at a special member or annual meeting called for such purpose at which a quorum is present." Adam seconded. The motion passed with 6 yes.

- 8) Financial review of past years and preview of budgeting meeting process Bob
Bob presented a summary of the last 7 years expenses and recent averages to prepare for the budget process in November. Marge Sjoden requested the summary spreadsheet be posted to the web site. Bob asked that the Board and members review this information and what it means for the future budget. Eric noted that past budget process worked very well but the the big issue for the future is how to meet the large future capital expenses, e.g. equipment replacement, dam maintenance, water rights, etc. Bob noted we have accounted for the state mandated reserve, capital expense account, and a few years ago added a heavy equipment fund to hold the funds planned to be used for equipment replacement. Andy noted we may need another account for water rights since that may be a very large, long term expense.

Rich and Bob noted the Board can set the dues each year, including raising them for some years then reducing them once sufficient reserve has been established to fund large expenses. Adam noted we need to continue to look at the long term to keep sufficient reserve so the dues don't go up and down. Warren Flint noted he would prefer dues remaining relatively constant and not go up/down often. Nancy Berendt. added Mt. Massive dues are well over double ours.

- 9) Major equipment, maintenance, and improvements needed at BLE Group
- a) Equipment
 - b) Roads
 - c) Dams
 - d) Cabins
 - e) Campground
 - f) Water
 - g) Other (e.g. ditches, yard, shed, gates, corral, etc.)

Bob summarized a spreadsheet the Board is working on to quantify all the larger expenses BLE will have in the next several years. The expenses are constantly evolving, e.g. it appeared the grader would last a long time but the new carbide blade on the rocks in the road stress it and may shorten its life.

Mark feels the front-end loader should be the next piece of equipment to be replaced since it is extremely difficult to get parts and it's critical to snow removal. It was discussed if we should put ours up for sale now but since it's critical it was determined we should wait until we know we have a new one.

Rich moved to authorize Bob (or his designee) to bid on front-end loader up to \$50K. Bob seconded. Andy noted there will be some additional charges for delivery. Bob added the current loader will sell for enough to at least cover the delivery charges. Floyd and Mark will look at the equipment auctions to find good buys to bid on. Motion passed with 7 yes and 1 no.

- 10) Discussion topics (from annual member meeting) Group
- a) Potential sale of BLE owned lot
Bob indicated that we will put it on the market. Marg Sjoden noted that BLE must notify the membership that it's available, which Bob indicated will be done. There was a discussion if we should choose a realtor that is not a BLE member to avoid conflicts or should we give the business to a member. Adam suggested we ask the realtors that are members which will accept the lowest commission in order to get the best deal for BLE. Ken will post a notice that we are selling the lot and accepting proposals from realtors to be the selling agent. Bob will accept the one that is best for BLE, e.g. lowest commission. Proposals will be accepted through October 30, 2018.
 - b) Dam repair status
Bob summarized work that Karen has been doing contacting the state regulators and determining

estimated costs for the maintenance/upgrades that are required.

- c) Water rights update
Karen has been informally looking at the water rights and will be continuing once there is a plan for the dam repair.
- d) Annual BLE volunteer workday
There were no volunteers to organize a workday.
- e) Gate damages
The upper gate has remained in good condition and the Board thanks members for taking care of it. There was a discussion of gate etiquette; please be courteous to others at the gate.

Adam requested Mark move one of the signs noting this is private to a more visible location.

- f) Fire restrictions
BLE will continue to follow the county and state fire regulations.
- g) Fishing rules and violations
We continue to have quite a few violations by tenants and often denials of the violation.
- h) Other topics
Bob noted a member's dog bit another member and we followed the current rules which is violation of the leash rule. The first violation is a warning letter which was issued. Subsequent violation would be \$50 and increase with future violations. Adam suggested for an actual bite there should be a fine with the initial action. Andy feels these issues should be handled only by the county animal control and sheriff rather than trying to regulate it ourselves.

Adam moved that any bite that is reported to the Board will incur a \$250 fine. Rich seconded. Andy noted that BLE should encourage any person that is bit to report the incident to the proper authorities, so they can take action to address the situation and avoid future occurrences. Andy also suggested we bring the authorities to a Board or member meeting to make sure we're following the proper procedures. The motion passed 7 yes and 1 no.

- i) Rich moved to authorized up to \$250 for John Boak to upgrade our camping and cabin reservation systems. This will help with managing the rentals and allowing visibility by the Board. Adam seconded. Motion passed unanimously.
- j) Jim Perkins asked about the status of the Mallard Rd extension. Bob indicated he talked to the Army corps of Engineers multiple times and it appears it's a wetland area which makes it very difficult to build the road. There are a couple lots that don't currently have access without that extension. There is an old use road behind them that may allow access. Marge Sjoden suggested that CSU Extension may be able to help with how to deal with a wetland issue. Bob has also been talking to the federal authorities and will continue to explore options.
- k) Jim Perkins asked about the status of using material from the common area for road maintenance. Adam indicated the governing documents do not allow us to do this and we dropped the idea.
- l) Alaina Gingras asked about the retreat above BLE that was discussed at the member meeting and if the Board has approached them to ask for help paying for road maintenance. Adam indicated we are attempting to minimize non-member access with signage as he believes this is a private road. Adam believes we should approach them to say they should not be using it. Two Board members also witnessed a bus full of people going through BLE. Marge Sjoden noted we're surrounded by BLM, public land, mining claims, etc. so people will continue to want to drive through BLE.
- m) Alaina Gingras asked about the status of the short-term rentals of homes in BLE. Bob indicated a committee was formed at the members meeting and those meetings need to be announced like Board meetings. Nancy Fox is leading this committee.
- n) Warren Flint asked if our reserve funds are in a regular bank account and should we put it in something with higher interest, e.g. 6-month CD. Jim Perkins noted we might do as well with high-yield money market.

11) Adjourn: The meeting was adjourned at 11:15 am.

BLE Office Contact Information:

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Future Meeting Dates for 2018

- September 8, 8:00 am *[note this is changed from date previously planned due to Board member conflicts]*
- November 3, 8:00 am (establish budget for 2019-2020 fiscal year)