

**MINUTES OF THE BOARD OF DIRECTORS OF THE BLUE LAKE  
PROPERTY OWNERS ASSOCIATION HELD  
September 12, 2011**

A special called meeting of the Board of Directors of the Blue Lake Property Owners Association (POA) was held September 12, 2011 at the MUD/POA Office, pursuant to notice to all members.

The meeting was called to order at 9:24 am by Bob Burkhalter.

Roger Havekost, Jim Grassman, Lou Ann Webb, Bob Burkhalter, Janet Mayne, Jerry Bennett, and Leah Roust were present as elected members of the POA Board. Bruce Lomax, Don Webb, Bill Stevens and Donna Stevens were present.

Minutes: Lou Ann had a correction to the 8 August 2011 minutes. Additionally, Lou Ann made the suggestion to put a footer with the date and page number on the minutes. Motion was made by Lou Ann to approve the minutes as corrected. Motion was seconded by Jerry and the motion unanimously carried. Corrected minutes will be placed in MUD Office.

**POA and Golf Board Relationship:** Bruce Lomax and Don Webb provided a presentation on the relationship of the POA and Golf Board, an update of the financial condition of the Golf Club and possible changes to improve the financial reserves of the Golf Club. The discussion points are included with these minutes. The Golf Club is a significant asset to the Blue Lake Community. The Golf Club currently has approximately 112 members. Don provided the monthly financial report that is given to the Golf Board. The new pump was significant cost to the Golf Club and ways to increase revenue are potentially limited. The Golf Club requested that a POA member work with the Golf Board member to develop proposals that may help with Golf Club financial reserves. Jim Grassman and Janet Mayne will work with Don Webb and come back to both Boards with some proposals.

**Treasurer's Report:** Lou Ann presented the treasurer's report. Assessments have been reduced from \$7,000 to \$5,700 but not all assessments have been paid to date. Storage fee bills have been sent out and some have been paid. Bottom line on our budget is \$18,000 loss.

Budget – The proposed budget includes \$93,931 in revenue and \$112,041 in expenses. The largest possible expense is for the Wenmoh's improvement at \$46,000.

There is a total of \$258,924 in the bank. No financials have been processed in August.

The POA now owns lot numbers 76 and 77, that border Blue Lake Dr. and East Bluebonnet Dr. They were booked in August 2011 at the appraisal value of \$2,260 each.

The tax return has been received and will be filed September 13, 2011. The Treasurer has received refunds in the amount of \$3610.38 from Baumgart Insurance which represents two of the three insurance policies we cancelled and a check in the amount of \$79 from

Galloway Insurance which was the refund from cancellation of the Directors & Officers Liability policy.

The POA received \$2,000 from Tim Eurton to be used to complete the basketball court. Leah will get a list of everyone who donated to this fund so they can be acknowledged. They have requested a diagram of the proposal for the sport court. Leah will provide via email.

**New Business:**

**Committee Reports:**

The future user of a new boat slip is paying the owner of the property (The Marina) the variance and all associated costs to take out the jet-ski ramp and install a boat-slip. The new slip will infringe on the building set back. The roofs of the boat houses will be improved. Jim doesn't have the specific plans.

**Contracts – Jim Grassman:**

No comments.

**Covenants – Lou Ann Webb and Roger Havekost:**

No comments.

**Parks – Leah Roust:**

Leah reviewed cost of purchase new envelopes with a printed return address. She will look at the status of letterhead and make the necessary purchase.

Basketball Court - Leah will contact Academy Sports today to purchase the basketball goals requested by those who have donated the money to complete the court. She plans to buy 2 new goals with 60 inch acrylic backboard that cost \$799.99 each and use a professional assembler. There is a strong interest for a volleyball court on the other half of the slab. The volleyball poles can be sunk in the concrete. There is a system available for a flexible net system that will accommodate volleyball, badminton and tennis/paddleball. The old basketball goal will go to another part of the court at a lower level for the younger children. Lines for other games can be painted on the concrete providing a multiuse area. Leah will research the correct paint for concrete and the cost as well as the total cost for removal of the old goal. Leah would like to put a cover over one half of the court. Jim brought up that we need to consider how high to put the fence between the boat and trailer storage lot and the court, he recommended an 8 ft fence. Leah would like to put some bushes along the basketball side to slow down movement of loose balls. We will need some dirt to build up the ground to the level of the slab. The POA will come up with plans on how to develop the park around the big oak tree.

Roger moved to purchase the basketball goals and volleyball system immediately. Develop a site usage proposal for the concrete sports court and grounds immediately

surrounding it before the next meeting and inform the donors what actions have been taken. Lou Ann seconded. The motion unanimously carried.

Irrigation system - Leah has a call into Doug Mezger who is a licensed irrigator to do an audit of the irrigation systems in the POA parks to determine layout of the systems and condition of the system and get to TCEQ standards. Once the audit is complete a request for proposal can be written outlining all the requirements the POA has to operate and maintain the system for competitive bid. The yellow spots at Wenmoh's Park are due to the extreme sunlight and that part of the grass is probably over rock preventing water retention. Also, St. Augustine requires lots of water. There is a leak in the system in the area across from the Golf Club. The heavy trucks due to road construction are impacting the situation.

Tennis Courts - The headbands and replacement rollers have been received. The courts have been cleaned up and a new garbage can has been purchased. The rotten benches have been dismantled and will get picked up at the next large pick-up. Leah would like to have Art Greene make new benches for the tennis courts. Leah also needs to order two center straps, \$8.99 each.

Wenmoh's Park Improvement – Leah is holding an organizational meeting Saturday, September 17 at 10:00 am at the Golf Club House. The purpose is to request inputs on what is desired for the park.

New property on Blue Lake Dr – Leah stated her husband will do a site assessment to give information on what types of trees there are and what the slope is. We will have a much better idea of what can be cleaned out and what should be saved.

**Storage Facilities – Roger Havekost:**

The bills have been sent out. Roger has reviewed collections, inventory and the wait list. Roger will review what trailers are in the storage because there are usually changes after the summer. If the POA followed the Blue Lake Estates (BLE) Restrictions and Covenants, the POA would not be in compliance in that we currently allow non-property owners access to the storage areas. The POA could change the covenants, but the Board prefers to comply with the covenants but at the same time try to operate in such a manner as to first fully accommodate property owners, as the Restrictions and Covenants require, and then non-property owners to the extent possible. New applications by non-property owners would be on a space available basis. If at any time a property owner's requirements could not be met, then the newest non-property owner would be required to vacate, and this process would continue until all property owners have their requirements satisfied. If a non-property owner being forced to vacate his space can find another non-property owner to voluntarily vacate their space, this would be acceptable. Roger presented a draft of the Blue Lake Estates POA Policy and Procedure for Reserved Boat, Trailer and RV Parking in Devil's Hollow Park and Sandy Creek Areas that complies with the covenants. A copy of this policy will be provided to each current storage area occupant via email or mail as appropriate. All future occupants shall be provided with a copy of this policy and procedures at the time of their application. Jim moved to approve

the Policy and Procedure as proposed and that we attempt to implement the same as set forth above insofar as possible and until further direction by the Board. Janet seconded. The motion unanimously carried.

**Communications – Jerry:**

The website sign for the entrance is done but needs painting. Bob and/or Lou Ann will ask Lisa Latornica of Lakeshore Painters to paint the website sign and the existing Blue Lake Estates sign using the same color paint as they are using on the firehouse.

**Old Business:**

**Boat litigation – Bob:**

Bob Thornton has sent documents to Baumgart Insurance Company disagreeing with their findings that they are not responsible for the incident. The POA may file suit to recover costs. There was some discussion on having Bob Thornton take over the entire case.

**POA Representation – Bob:**

There was discussion on retaining the current/previous lawyer as lawyer or changing to Bob Thornton. Bob will talk to Bob Thornton about potential conflicts of interest.

**Bathroom at firehouse – Bob:**

We need an estimate of costs to build a bathroom at the firehouse. Jim will do some checking and provide an estimate to build an easy to clean bathroom. The POA may consider a port-a-potty in the interim.

**Resolution Book – Jerry:**

Jerry has reviewed the past minutes of all POA meetings. He has consolidated and summarized resolutions that occurred. He will summarize any conflicts and provide a list of agreed upon resolutions. He will make a book that will be kept at the MUD Office. He will send out what he has done for board review.

**Budget Review and approval – Lou Ann:**

The POA budget is approved, since the entire POA Board worked on the budget together. Lou Ann will provide a copy of the final budget to all POA Board members.

**LCRA Notice - Bob:**

The POA has made application to LCRA for the Raw Water Contract. The LCRA will then bill the POA for two-acres of water use. The LCRA recognized that not all of the parks are irrigated and will charge appropriately.

**Parking Spaces at Devil’s Hollow – Bob:**

Once the road construction is complete, the parking spaces will be built.

**New Business:**

**Attorney invoices - Bob.** Lou Ann will review and reconcile the invoices sent and determine what has been paid. The POA will go back to the POA attorney Cowart and state that what we have paid is to apply to subsequent work and that we will pay for the summary judgment if and when it occurs.

**Roads – Bill Stevens:**

The roadwork should be done in two weeks. There will be some finish work that may take longer.

The LCRA applied a 9 percent water increase this summer. This amount will get passed on to the property owners in January.

All property owners are required to be in Water Conservation Stage 2. If someone sees a violation they are to let Sharon know in the MUD Office and she will contact the owner.

**Long Range Planning – Roger:**

Recommend that the POA move forward on the USDA Loan Application for the Community Center because of the time it takes to process. The POA will apply for an amount that we can support. It was noted that the application may incur expenses not now but in the future, for example, an independent audit of finances in an estimated amount of \$3,000 to \$6,000. We can always cancel the application if funds become available from other sources. Leah moved to go forward on the USDA Loan application. Lou Ann seconded the motion. The motion unanimously carried.

**Wenmoh’s Park – Bob:**

Mike Brady who lives next door to Wenmoh’s Park has proposed to purchase a small slice of parkland adjacent to his property to resolve some waivers, variances and encroachment problems. The POA will investigate all the legal issues, ensure the setbacks are proper and the potential to revise the deed (to put restrictions on future work) to protect the adjacent park land.

The next POA Meeting is Saturday October 15, 2011 at the Golf Club.

There being no further business to come before the Board, it was on motion duly made, Lou Ann moved and Janet seconded, the motion unanimously carried, adjourned at approximate 11:50 a.m.

APPROVED:

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Bob Burkhalter, President

ATTEST:

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Leah Roust, Secretary