

YLOA Board of Directors Meeting Minutes

Meeting Type: Board of Directors Meeting
Date/Time: Tuesday, August 27, 2024, at 6 p.m.
Location: Clubhouse and Zoom Virtual Meeting

1. CALL TO ORDER & ROLL CALL

President RajECKi called the meeting to order at **6:12 p.m.**

Roll call was conducted. All directors were present.

DIRECTOR ROLL CALL & ESTABLISHMENT OF QUORUM

Richard RajECKi, President
Rose Mackey, Vice President
Steve Brannon, Secretary
Ken Sartain, Treasurer
Cheryl Bluhm, Director
Beate Olivas, Director
Pam McDaniel, Director

Additional Attendees: Executive Director Jeremy Mayes and CAM Beth Hatch, Tom Bell & Heather from Moore Grider (CPA)

2. **OPEN FORUM:** Seven members, including one board member, addressed the board.
3. **GUEST SPEAKERS:** Tom Bell and Heather from Moore Grider (CPA) regarding Financial Reviews 2022 & 2023. They discussed the financial review process for 2022 and 2023, explaining the challenges posed by intercompany transactions and the need for timely information from YLOA and YSPUC. Heather outlined the timeline for preparing the financial statements, noting that the utility company statements are nearly complete and the HOA statements will follow (it was noted that the utility company books must be done first). The board discusses the importance of having a competent internal person to handle accounting tasks to avoid jeopardizing the review-level financial statements. Executive Director Mayes confirms that the financials for the fiscal year ending June 30, 2024, are complete and will be combined with the previous year's statements. Tom Bell noted that the previous general manager would not allow any information to get transmitted to their office other than through him. He asked the board to consider the natural business cycle and align the entity's fiscal years.

An update was provided regarding the Corporate Transparency Act (CTA) passed in January 2021, with a reporting deadline of January 1, 2025. Under the CTA, entities registered with the Secretary of State must report their beneficial ownership information (BOI) to FinCEN,

a government entity originally established to track financial transactions related to terrorism.

The reporting requirement applies to entities unless they meet all three exemption criteria: gross receipts over \$5 million, more than 20 employees, and a U.S.-based office. The HOA does not meet these exemptions and must comply.

Reporting involves listing all officers and directors, including Social Security numbers and driver's license information. Failure to report or not reporting changes within 90 days incurs a penalty of \$591 per day.

The HOA's management company, GrandManors, will handle the BOI filing for \$325. The board's attorney confirmed that filing is necessary. However, the outcome is uncertain because the Community Associations Institute (CAI) and another organization (IRAM) have filed lawsuits against the BOI filing requirements. Nevertheless, as required, the filing will be completed by January 1, 2025.

4. **APPROVAL OF MINUTES:** The board reviewed and approved the minutes from the following meetings: June 4, 2024, July 20, 2024, and July 25, 2024, and ratification of the minutes from May 7, 2024 (due to a correction needed in a lien processing error). There was also a discussion about adding the July 13, 2024, Annual Meeting to the next agenda for approval.

Corrections to the minutes were made, including:

A misidentification of board roles (Ken Sartain listed as Secretary and Steve Brannon as Treasurer).

Missing votes by Director Olivas were added in several instances.

A correction to the APN in the lien resolutions was confirmed.

A motion was made to approve the minutes by President Rajecki, with the identified modifications, and seconded by Director Olivas, approved unanimously. MSC 7-0

5. REPORTS

- 5.1 **Manager Report:** The manager provided an update on recent activities and repairs across the community, including:

Repairs on Lilley Mountain Road and John Muir Drive were completed, including about 40 potholes, costing \$36,000—slightly over budget due to extra work on a road section. The Recreation Center grill was fixed for propane and wood burning, and Well 28A's pump was repaired, now filling the lake and pond for golf course watering. A new bus stop and other minor projects were also finished.

Financially, the July 2024 budget was favorable. The Fairway Café exceeded its revenue target by \$12,000, and assessment collections reached \$385,000, surpassing the budgeted \$376,000. Planned reserve contributions are \$32,500 to the PRP account and \$30,000 to the reserve account.

Higher expenses were noted in golf, road maintenance, and the restaurant due to summer overtime, but overall, the HOA exceeded its monthly budget by \$65,000. The manager highlighted the importance of reinvesting surplus funds into the community and discussed ongoing budget management and future adjustments. Director Bluhm's financial questions will be addressed after consulting the HOA accountant. Bad debt will be managed on the balance sheet and written off at year-end after auditor review. Executive Director Mayes concluded with an invitation for further board questions.

5.2 Treasurer Report: Treasurer Sartain raised several questions regarding the June and July financial reports, noting significant discrepancies between the two. While not wanting to take up too much meeting time, the Treasurer wanted to review the details in a separate session. A meeting with the accountant, Kyla, was suggested to address these concerns thoroughly.

Regarding collections, the Treasurer reported:

103 accounts with Fiore for collections.
48 active payment plans.
5 accounts on payment plans with Fiore.
The total outstanding amount is \$1,223,313.27.

Treasurer Sartain expressed concern over the large outstanding balance but acknowledged that steady progress had been made in reducing it, noting that it was significantly higher in previous years.

There was also a discussion about recent fund distributions, with the Treasurer confirming that a large check was received recently, possibly around \$70,000, and that overall collections from Fiori have totaled approximately \$130,000. There was a question regarding the breakdown of hard costs charged by Fiore for collections, and the Treasurer confirmed that the report includes a detailed breakdown of these costs.

5.2.1 Liens: Treasurer Sartain motions the assessments charged against the properties identified below are more than 60 days delinquent. The board of directors hereby authorizes Fiore, Racobs & Powers to record a lien on behalf of the Association against 10 properties:

Parcel NO.: 092-370-020, 092-150-005, 092-250-003, 093-090-037, 093-140-027, 092-300-005, 093-570-025, 092-030-004, 093-390-007, 093-520-011

Seconded by Director Olivas. All in favor, aye, MSC 7-0

In the executive session meeting which took place on August 27, 2024, the board of directors authorized its attorneys to initiate an action for the judicial foreclosure of the Association's lien against the following properties: 093-060-020

In the executive session meeting which took place on August 16, 2024, the board of directors authorized its attorneys to initiate an action for the judicial foreclosure of the Association's lien against the following properties: 092-180-001, 093-450-015, 092-070-006, 092-370-030, 093-420-015, 092-350-004, 093-020-018, 093-020-020

In the executive session meeting which took place on July 20, 2024, the board of directors authorized its attorneys to initiate an action for the judicial foreclosure of the Association's lien against the following properties: 093-140-018, 092-280-025, 093-060-013

5.3 Department Head & Committee Reports: Reports provided to the directors. John Wandler reported that the golf committee's first annual Yosemite Lakes Community golf tournament, held on June 1, raised over \$10,000. The funds were split equally between Yosemite Little League and Yosemite High School's golf teams. The committee, led by Neil Ordway, thanked donors and noted that past tournaments raised nearly \$25,000 for Fire Station 10. Future tournaments may support other youth sports. The American Legion will hold a golf tournament on November 9 to benefit the ROTC, Honor Flight, and the Boys and Girls Club.

The Trails and Recreation Committee had a productive year, completing trail maintenance, adding new benches, and improving recreational facilities. They engaged the community with 10 group hikes and student volunteer projects. Upcoming goals include trail maintenance, signage updates, parking improvements, and further facility renovations.

6. UNFINISHED BUSINESS

6.1 None

7. NEW BUSINESS

7.1 YSPUC Report

7.1.1 President Rajecki: Pipeline Replacement Update: President Rajecki updated the board on the YLOA pipeline replacement project, acknowledging the board's efforts and Director Bluhm's extensive work. He praised Director Olivas for recruiting new accountant Felecia and emphasized the need for a clear framework for capital projects, including proper funding, tools, trained staff, and project management. Despite challenges since the project's 2015 start, including staff shortages and lack of a full-time manager, the community has installed eight miles of new pipe. With \$47 million needed to replace the remaining 47 miles, he suggested exploring special assessments, grant money, and outsourcing work to improve efficiency. Rajecki urged the board to accelerate the replacement rate to 1 mile per year and seek creative funding solutions.

Executive Director Mayes presented the draft strategic plan for the Pipeline Replacement Project (PRP), which includes a communication plan, performance metrics, funding strategies, and timelines. He noted that reaching a consensus might be challenging but stressed the need for a structured plan. He requested the board's feedback and encouraged them to review, suggest improvements, and address any concerns.

7.1.2 YSPUC President & YLOA Secretary Steve Brannon: Update on Crystal Cave & ETA: Secretary Brannon mentions that a contractor is lined up for the project, but work was delayed due to the failure of well number 31, which was expected to go out of service soon. The well, located near Ranger Circle mailboxes, required a full replacement of the pump, motor, piping, and wiring. Repairs started today. Additionally, well 45 near the N. Dome tank recently went out but has been repaired, and well 48 will be tested and brought online soon. Once the water supply is stable, construction on Crystal Cave will begin in about 2-3 weeks, including additional pipeline work. The project is estimated to cost \$175,000, and the goal is to complete the job, repave the street, and resolve long-standing issues.

7.1.3 YSPUC Business Update Report: Discussion.

7.2 Vice President Mackey: Board/Members Communications: Vice President Mackey emphasized the board's commitment to hearing from the community and valuing their input. They introduced a new and improved feedback form, developed by President Rajecki, William, and others, which allows homeowners to submit comments or questions. The form includes fields for name, email, message, and who the question is directed to (board or staff members). Respondents can choose whether they want a response via email or phone and indicate preferred contact

times. While responses may take a couple of days, the board values collaboration and mutual respect in working together as a community.

7.3 Treasurer Sartain: Funding Sources

7.4 Staff and Board Responsibility Policy: The board is reviewing the Leadership Responsibility Policy included in their packet. This policy aims to clarify the roles of the board and management. The board is responsible for setting strategy and providing oversight while the management and staff execute the vision. This is the first draft; board members are encouraged to review and provide feedback. Executive Director Mayes requests that comments be submitted within 15-20 days to incorporate the feedback into a final draft for approval at the September meeting.

7.5 Clubhouse Treatment Plant: The clubhouse septic system has not had an active maintenance agreement for approximately 12 years. The board was presented with a \$4,500/month bid from a contractor referred by the water company to manage the system and ensure compliance with state regulations requiring monthly reporting. The board discussed the high cost and lack of alternative bids due to the specialized nature of the work. The system's design and its compliance with the California Regional Water Quality Board were highlighted as key concerns. The board ultimately decided to table the issue and look for more cost-effective options before moving forward while considering the importance of being in compliance to avoid potential penalties.

7.6 Road Department Trucks: The board discussed the purchase of two new trucks for the road department, with \$95k allocated in the budget. The total price for a 2500 and 1500 Silverado came to \$102k before trade-ins. Executive Director Mayes expects the trade-ins on the old trucks will help bring the cost closer to the budget.

Motion: Vice President Mackey motions to approve the two trucks for \$56,932.64 and \$50,199.78, totaling \$102,000 after anticipated trade-in adjustments. Seconded by Director Olivas. MSC 7-0.

7.7 Appoint/Approve Committee Chairman/Board Liaisons

Governing Docs Liaison(s): Vice President Mackey & Director Bluhm

DASH: No director volunteers

Election Committee: Director Bluhm

Fire Safety Task Force: Director McDaniel & Director Bluhm

Engineering & Planning Committee: Secretary Brannon

Trails & Rec Committee: Vice President Mackey

Restaurant Committee: Treasurer Sartain

Golf Committee: No director volunteers

Communications Committee: Vice President Mackey

Equestrian Committee: Director Olivas

Motion: Director Bluhm motions to accept the board liaisons as CAM Hatch read (listed above). Seconded by Director Olivas. MSC 7-0.

7.8 Short Term Rentals: Director Bluhm led a discussion on short-term rental regulations for the Yosemite Lakes Owners Association (YLOA). The existing 2018 policy defines short-term rentals as stays under 30 days, requiring a Madera County business license and an annual processing fee (proposed increase from \$100 to \$500), with limits on vehicles (proposed increase from 2 to 4) and occupancy rules. Violations could incur \$100/day fines. Board concerns included noise, trash, traffic impacts, and ensuring compliance with both county and HOA rules, such as having at least one adult guest. There were suggestions for better enforcement, including a security deposit for renters, though this raised concerns about fairness and complexity. The board discussed improving fee collection, managing issues, and working with Madera County to enforce regulations, aiming to strengthen the policy without making it overly restrictive.

7.9 Assistant Treasurer Motion: Treasurer Sartain introduced the motion to appoint Dennis Britt as the YLOA Assistant Treasurer. The YLOA Treasurer sought assistance, citing the board's ability to appoint an assistant under governing documents and legal advice that such an appointment does not conflict with the governing documents, Davis-Stirling Act, or corporate law. A board member questioned the need for an assistant, given the management company's role in financial duties, and requested a background check and resume from Dennis, similar to what was required for a prior assistant. The board debated whether Dennis could be appointed as an officer, with some arguing that non-directors cannot be officers per legal advice and Davis-Stirling guidelines.

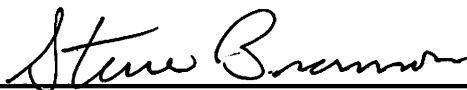
After a lengthy discussion, it was clarified that Dennis could be appointed as Assistant Treasurer but not as an officer, and the board requested further clarification from legal counsel. The motion was tabled until a meeting with the association's legal counsel could be held to address these concerns and receive confirmation from the insurance broker that Dennis would be covered under the board's insurance as Assistant Treasurer.

Motion: Director Bluhm motions to table the Assistant Treasurer motion. Seconded by Director Olivas. MSC 4-3 (with Treasurer Sartain, Secretary Brannon, & Vice President Mackey voting no).

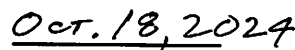
- 7.10 Director Olivas motions for Officer's Online Banking Accounts, which President RajECKI seconds. Discussion. **Director Olivas motions to table, which Director Bluhm seconds. MSC 7-0.**
- 7.11 Motion for Minute Recordings – this agenda item was moved to the September meeting.
- 8. Executive Sessions: July 25, 2024 & August 3, 16, 20, 2024, Legal & employment updates, insurance package and John Muir/Lilley Mountain repairs. **President RajECKI motioned to accept the dates as presented, and Secretary Brannon seconded. MSC 7-0.**
- 9. Consent Agenda:
 - 1. On June 26, 2024, in accordance with the YLOA Procurement Policy, Board President Cheryl Bluhm and Executive Director Jeremy Mayes approved \$6,137 to repair and replace the YLOA pool vacuums.
 - 2. On August 1, 2024, per the YLOA Procurement Policy, Board President Richard RajECKI and Executive Director Jeremy Mayes approved \$8,128 to repair the brakes on YLOA's 20023 GMC dump truck.
 - 3. On August 15, 2024, the YLOA Auto Policy was bound. With Mercury Insurance and through YLOA's broker, this policy was \$55,333 and represented a decrease of 22k over last year's premium. The 2019 Dodge Ram (x0909) has been transferred to YSPUC and is no longer on YLOA insurance. The 2018 Dodge Ram (x1548) will be transferred to YSPUC on Monday, August 26, 2024, and removed from the YLOA insurance.
 - 4. On August 16, 2024, per the YLOA Procurement Policy, Board President Richard RajECKI and Executive Director Jeremy Mayes approved \$9,900 (in the form of a change order) to repair a section of John Muir Drive. The actual expense was \$6,600.

Motion: President RajECKI motions to accept the consent agenda. Seconded by Vice President Mackey with the change to the VIN. MSC 7-0.

10. Adjournment at 10:29 p.m.



YLOA Secretary Signature



Date