



## Copper Cove at Lake Tulloch Owners' Association

920 Black Creek Drive  
Copperopolis, CA 95228  
Website: [www.ccltoa.org](http://www.ccltoa.org)

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### **Board Meeting** **January 19, 2017**

**Meeting Called to order: 6:00pm**

**Pledge of Allegiance**

**Board roll call - Present:** Jane Everett President, Howard Karlin Vice President, Mike Butterworth Treasurer, Ryan Oatts Secretary & Doug Oliver Director

**Guest speaker:** Deon Stein HOA Lawyer

#### **Minutes of Prior Meetings:**

- November Executive Session Minutes – tabled
- December Executive Session Minutes – Tabled
- Budget Meeting Minutes – Approved
- November Board Meeting Minutes - Approved

***Motion to Approve Budget & November Board Meeting Minutes, Approved 5-0***

#### **Open Forum:**

1. All on signup sheet wanted to discuss the boat fee raise which will be addressed later in the meeting. No speakers at this time.

#### **Board Reports:**

❖ **President Report:** As a member who pays their dues and who has read the CC&Rs, one of the things that I have taken very seriously is the responsibility of the board and that is to have fiduciary relationship with the association. That duty is that we act for the benefit of the community as a whole & we must avoid our personal interests or acting out of self-interest. As we progress with this meeting please try to keep that in mind.

- We are moving along with policies and procedures
- Our collection of dues is at 46%
- ADP has been brought on board
- Aaron has been promoted to Maintenance Supervisor & will be supervising the Kiva
- Girls in the office did a QuickBooks class

It would be nice to have all of you more involved. It's been great to see all of you here tonight. Thank you for coming.

❖ **Vice President Report:** There is not much more to add to that. Thank you all for coming, it's great to see all the new faces here. I hope that this evening is very informative. I'm going to be



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### ❖ Vice President continued:

passing my time to the Doug (Director) for his presentation. Secretary report is next.

### ❖ Secretary Report: Updates that I have are....

- We are currently working on employee evaluations for this year.
- As Jane already said we brought on ADP. Those of you who don't know what that is, it's a payroll and time tracking system. This will help with Kiva and eliminate any errors on time and Pay.
- Currently recruiting for a permanent part time maintenance staff. It will be a 30 hour per week position.
- Kiva staff hiring – Aaron will be over seeing operation & Staff.

### ❖ Treasurer Report: Financials... Ramp at Kiva is crumbling & falling apart. We had \$9,000.00 identified to update the ramp in 2016. There is \$608,182.99 in banking as of end of December between the operating & reserve accounts.

### ➤ Office Report:

- Processing of payoff demands daily
- Learning and working on Collections & Liens
- Working with ADP
- Cleaning up files and updating forms
- Working on policy and procedures
- Melinda & I took Level 1 QuickBooks class
- Working with Clendenin Bird & Company for end of year

Q: 46% of the assessments have been paid, that leaves over 50% have not paid. Out of those how many are in collections?

Treasurer: I'll answer that. They have to have their dues in by March 1<sup>st</sup>, so there's 2 months from beginning of the year to get your dues in. We are still in January so we are assuming we will have 90% of those in by March 1<sup>st</sup>.

### ➤ Maintenance Report:

- Cal- Waste costs tripled so I downsized the dumpsters but our yearly trash service costs will still double.
- Replaced all the fixtures and put LED's in – Replaced lights in the kitchen with more energy efficient fixtures. Replaced lights in the office with LED's – Ready to change marquee lights to LED fixtures.



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### ➤ Maintenance Report Continued:

- Need to drop the poplar trees by the playground & an Old Oak by the lower gravel parking lot
- The Elliptical has a broken frame and severe signs of wear and tear. Need to start pricing out a new one. Would like to get a commercial grade elliptical and there have been a lot of suggestions for a second treadmill.
- By the end of this month I will be certified in adult & pediatric CPR/First-Aid/AED. Before the Kiva opens I will be certified as an instructor for adult & pediatric CPR/First-Aid to start providing the training to the Kiva staff each year.
- Displayed pictures of the Kiva ramp and talked about the repairs necessary. Waiting on estimates.
- Replaced 3 HPS light fixtures with LED fixtures last year still need to replace 4. Replaced the 2 street lights on Black Creek Drive with LED fixtures.
- Working on costs for renovations of the restrooms. Roof repairs for outside restrooms at Black Creek Park & maintenance shop due to the storms we've been having.
- Spraying the weeds at Little John Park instead of all the trails everywhere.

### Committee Reports

- ✚ **ACB:** Lots of new builds coming in for approval and lots of Solar panels going up.
- ✚ **Events Committee:** No events committee leader at this time but we do have a volunteer that is lined up.
- ✚ **Tree Committee:** Had a proposal for \$1400 submitted with the board. Today I received a quote for \$1172.00 to cover all trees that I'd like to purchase, which is under budget. I will help Aaron remove the trees.
- ✚ **Kiva Committee:** Passing their time

### New Business

- ✓ Tabled

### Old Business

- ❖ **Director (Presentation):** A few months ago, the Board interviewed 3 individuals to fill the vacant position. I was elected. For whatever you feel that appropriate or process or not done by our Bylaws, I appreciate that input. To become a part of this Board was to help the membership. I am a member, I have a boat, I bring my kids to the Kiva, I bring my kids to Black Creek. I sat in on one of the meetings and thought, "I'm going to try and help out." I do have a government background, I have 15 years as a manager in the building division, 21 years in the industry. I understand how government works. These fees are shocking. It bothers me that we have to do it because I'm paying the same fees, but at the same time it is necessary. We have to



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plan a budget that meets the needs the needs of the association. \$150k budget for security @ Kiva, Newsletter, maintenance for basic needs, facility costs, account & admin expenses, Accountant & attorney fees, & utilities (which are spiking), all of that is bare minimum. The cost to pay for items mentioned above is \$350k. Last year assessment alone \$355,950 so we roughly have \$6k to play with to do everything else. Event coordinator & committee expenses are about \$10k – upgrade security – staff training – everything has a life span whether it's 1 year to replacement or 30 years to replacement. We have a projected reserves list of everything that this HOA must pay to replace. Through state law we must set aside funds to replace that as necessary or in an event you can't set aside special assessments are assessed. Which means not only are you paying this for this year, we are going to hit you with another additional assessment to take care of something we can't pay for. So, the goal has always been to make sure you always have enough money to move forward. Currently we are in the situation where we are not saving, the problems getting worse. Based on the reserve study we need to spend \$77k on maintenance this year. Which means we must use some of the reserves. We would have needed \$119k to set aside – we are already under water. We should be paying \$241 a year if we want everything to work without paying any extra fees – just assessments. Your Board set priorities based on the needs of the association. Decisions were made to lower potential assessments and to get other revenue increased. We are not going to be able to put aside the \$77k – only can (hopefully) put aside \$48k until that ramp just came up. We may have to draw down the reserves just to make sure the ramp is safe. Hopefully the engineers will tell us. As a code official I don't like it. Raising the boat launch fees for the Kiva, it lowers the impact on the general ledger. Which means we don't have to raise the assessment as high because it's funding itself. That's the goal. We agreed the fees shouldn't be higher than anywhere else. \$40 a year seemed like the fairest way to go. We decided 2-year permit primarily to make it easier to track. Show Value – I don't want to see a busted door in the restroom @ the Kiva, or a website like ours, we put together an outline to show you the value of what you are paying for....

- **Train current staff**
- **Review current procedures that identify streamline measure to save staff & membership time**
- **Document all the new office & security procedures**
- **Improving gate access**
- **Review security request for Kiva – Why don't we have a security guard down there?**
- **Improving more transparency for the membership – Everything we decide on this board you should have access to.**
- **Need to improve our security**



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- Need to improve our website
- Active recruitment for all committees
- Reviewing ACB Board regulations for possible updates – Some of the rules may not make sense anymore

This is the value we are trying to give. Thank you.

### Open Forum:

- **Lot #2037 – Q.** Doug did you include Kiva revenue? Black Creek Hall rental revenue? Fines, etc.?  
**A.** Yes, the information was pulled from the previous budget  
**Q.** What were the dues last year? \$185?  
**A.** They were \$175 they lowered them.  
**Q.** I'm not opposed to raising the fees – have you given out a 30-day notice?  
**A.** Yes – it was mailed in December  
According to section 4040 of Davis Sterling you are supposed to give 30-day notice. It's got to go out to all the members certified mail, unless member agrees to receive via email. Since you guys have already collected... **Deon interjects....** That's Not correct. **Rob continues...** you said you got 46% collections so far, seems to me you're illegally collecting that amount. You're going to get sued.
- **Deon:** I will make a comment at the end. Rob I've known for years & I thought you were a terrific Board member. Every time someone is engaged & involved, it's better for the association. I'm the association Attorney, my goal here is to make sure that you guys as an entity do the right things and are protected & done the right way. I'm not here to protect these 5 Board members or anyone else that has served on the Board. I'm here to make sure we have done things right as an association. Rob or someone had pointed out that we hadn't given out the correct notice of this rule change & we went back to square one & gave notice of the rule change. The fee change in December. If volunteers stumble or mistakes are made, we try to fix them.
- **Lot #2037 – Q.** In your 2017 budget, did you guys include the decal & the overnight docking fee increase?  
**A.** Yes – we put all that in the budget and then we were challenged by a member, that it wasn't the proper notification. We determined he was correct. That's why we sent out the notification we did.
- **Lot #1965 –** The only way to settle this is to raise the assessments. Raise them this year, next year, & the year after. Get your full 20% every year. You're going to have a mutiny on your hands if you charge a small group of people a fee that you are not charging anyone else. I'd



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### Lot #1965 continues...

agree to pay \$80 if you charged each person \$5 to use the Kiva and a \$5 fee for entry to the Black Creek park.

- **Doug Oliver – Q.** Question for you... You'd rather the assessments be raised instead of a boat sticker?  
**A.** Absolutely! **Q.** Are you trying to fund the reserves 100%?  
**A.** No
- **Lot #2122 – I** appreciate all the work you guys do. I just think with a little bit of feedback & direction, we wouldn't be here like this. The problem isn't we don't want to be taxed. We love our community and we want to have the best facilities. We just want it equal and fair.
- **Doug Oliver – Q.** What is fair to you?  
**A.** I think a poll is very valuable – direct assessments. Everyone benefits from having a home with Kiva access.
- **Lot #0545 – Everyone** should pay equally. 1 flat fee.
- **Lot #2071 – In 1998** we put away \$100k to expand this ramp, the next Board gave the money away. Dues in 98' were \$75. 98'-17' there's been a 47% inflation rate. I would suggest a mix of user fees and flat fees because I don't think it fair to the elderly.
- **Lot #0681 – Year 2026** there is a special assessment showing on here for \$556 per lot. You said you want to raise the boat fees for the Kiva to support itself and still are forecasting a special assessment in 2026, is that correct? I read the December newsletter, it's not disclosed. The Reserve study, does it count for the increased assessments annually already? Or are you assuming \$195 per year for the next 30 years of this study?
- **Deon – This model** is based on \$195 every year going forward – I don't think that's correct.  
**Q.** Can we have a little more transparency with the reserve study because somehow that was completed Sept 30<sup>th</sup> 2016 & seems to have changed the game.  
**Deon – This chart** was created by the reserve study analyst. It's put here because it's part of the annual disclosure stuff. On the very next page, also part of the annual disclosure stuff, is the assessment to reserve funding disclosure summary, designed by the legislation followed by every association that is doing it correctly in California. I've been a lawyer for almost 30 years and I barely understand what the reserve study guys are talking about. Look at #3, based on the reserve study available to the board will currently project a reserve account balances sufficient at the end of the year to meet the associations obligation to repair or replacement of major components during the next 30 years. In bold the answer is, **NO**. Now if the answer to number 3 is no, what additional assessments or other contributions/reserves would be necessary to be sure the efficient funds will be available each year for the next 30 years? Year 2026 an approximant special assessment at amount \$556. To say that this chart was somehow to hide





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anything when you don't turn to the next page and read the summary that states the 2026, \$556 fee is unfair to this board and every board before it that tries really hard to follow the law & give you as much information as it can.

- **Doug Oliver – Q.** If we table the boat fees tonight will that hamper us fiscally?
- **Deon – A.** I don't think it will because the amount of money you're projected to generate is about \$15k and you weren't going to see it all spring/summer anyway.
- **Doug Oliver – Board** what does everyone think?
  - Jane – We need to make a motion – I think we should pass on all of the fees & revisit the \$80 at a future time
  - Doug – I don't mind paying \$210 if the membership decided in a survey they would go up to \$240, I think it would be worth doing.
  - Howard – It was a reasonable idea presented in at the open budget meeting. Every year there's 2 to 3 members that volunteer to aboard & a 1 year isn't long enough to learn this stuff. I think table the boat launch fee and keep the others.
  - Ryan – Good feedback tonight. I'm going to pay whatever is decided. I think we should table the boat stickers. I also think there should be some sort of increase, maybe not \$80 but some sort of increase. Table all of it.
  - Mike – I'm part of the 20% of you. I have a boat and pay for my stickers. I did a lot of analyses here. I'm for leaving it the way we have it proposed.

❖ **Howard** – I motion to table the entire rule change until the next board meeting.

❖ **Jane** – I second it (Jane, Howard, Ryan & Doug - in favor & Mike - neigh)

*Meeting Adjourned at 9:28 pm*

**X**

Ryan Oatts - CCLTOA Board Secretary