



POA Board Meeting 8/12/2023

Agenda

The purpose of the annual member meeting is to provide our membership an update on Board and community activity.

Please consider reviewing meeting minutes on bearlakewestpoa.com and following us on NextDoor and/or Facebook for timely updates and issues.

10:00 - 10:15 Introductions & Committees & Administrative Updates- Amy Karcher

10:15 - 10:30 Maintenance Update - Michael Wade

- Garbage
- Maintenance & Plowing
- New Construction & Sales

10:30 - 10:45 Water Update - Dan Fillion

- Water System Operator's Report
- Water Rights Adjudication
- PFAS Settlement

10:45 - 10:55 Financials- Amy Karcher

- 2023 Financials
- 2024 Budget

11:00 Adjourn- move upstairs for snacks

11:30 Joint amenities meeting with HOA

1. Introductions & Committees

Term	Elected Director
August 2020-2024	Marty Phipps Nate Cason (previously appointed to replace Terry Carlson) Ralph Lewis (previously appointed to replace Daleen King) Vacant position (formerly Gary Myers)
August 2023-2027	Amy Karcher, President & Treasurer Michael Wade, Vice President Michelle Fillion, Secretary

- Compliance, Maintenance & Water Committee-
 - Chair: Michael Wade
 - Members: Michelle Fillion, Ralph Lewis
 - Employees: Dan Fillion, Lowell Howlett, Michael Howlett(absent)
- Amenities-
 - Members: Nate Cason, Ross Karcher (non-board member at large)
- Finance, Nominating & Technology Committee-
 - Chair: Amy Karcher
 - Members: Nate Cason, Michelle Fillion
 - Contractors: Eide Bailly (accounting), Kim Bouck (website)
- Water Rights (Temporary Committee)-
 - Chair: Nate Cason

2. Administrative

Amy Karcher

Idaho HOA Act of 2022 - Effective 7/1/22

Intent: To protect the rights of current and subsequent property owners within a homeowner's association, it is the intent of the legislature to ensure the transparent operation and inclusive management of these associations, balancing the rights of all owners within homeowner's associations to promote harmony and respect for community standards and to protect the rights of individuals and neighbors in the community.

For **Incorporated HOA's**, it mostly takes power away from the Board and places it in our governing documents- Bylaws & CC&Rs. Those documents require a membership vote to change. Boards can no longer vote to enforce fines not specified in our governing documents. It also provides specific governance around unincorporated HOA's, which does not apply to BLW POA.

No case law, but for context:

- Redundant with Bylaws- Meetings must be open to members, unless executive session, and minutes are required. Must have annual member meeting.
- Supersedes Bylaws- Annual meeting notice may be electronic. Process to remove Board members. Disclosure of fees and financial statements. Fees and fines have 30 days notice to remediate.

Short term rentals are expressly prohibited in our Bylaws, and therefore not subject to Section 55-3211 - PROHIBITED CONDUCT - RENTAL RESTRICTIONS. Had short term rentals recently been restricted in our CC&Rs, some members could have been specifically grandfathered for the rule to not apply.

2. Administrative (cont'd)

Amy Karcher

Labor Costs

- Historically we had 2 contractors- HOA manager (Steve Howard) and maintenance (Dan Fillion). Dan Fillion also is our Water Operator. The former board transitioned to 2 maintenance contractors (Lowell & Michael Howlett), in addition to Dan's Water Operator role. Steve Howard's administrative responsibilities were absorbed by the former Board.
- After a difficult winter, Dan Fillion was brought back as Maintenance Director as of 5/1/23. His intent is not to remain in the role long term, but to work with us over the next few years to plow roads, maintain equipment and roads, and help train others.
- Dan, Lowell & Michael expressed their desire to be transitioned to Employee status. Researched costs- roughly 18% increase (<\$8K). Our workers are now covered by Workman's comp, etc. They are officially employees of BLW POA as of 7/1/23.
- We have succession and contingency planning concerns, where we are relying on a few people to know what needs to get done and how to do it. We want to expand our labor base, otherwise we will need to hire third parties to plow, maintain equipment and roads- which is more expensive in the long run.
- We need to reconsider Board responsibilities due to the overbearing inconvenience for unpaid volunteer oversight positions. For example, Amy Karcher (Treasurer) handles all billing inquiries and title transfer payoff requests. Michelle Fillion (Secretary) performs administrative tasks, such as maintaining member information, welcoming new members, meeting with contractors, checking mail daily, scanning invoices, etc. The Compliance Committee performs building plan reviews. The HOA pays their Accountant to perform all of these tasks. We estimate an increase of roughly \$10k annually if we used a full service HOA Accountant, or hired a supplemental employee.

2. Administrative (cont'd)

Amy Karcher

Technology Upgrades

- Manually mapped 402 property addresses into membership records within Quickbooks. Previously Quickbooks only contained lot numbers, so we needed to use a map to lookup the accounts. Some addresses may be incorrect- please contact Amy if you receive documentation and feel your property address is incorrect.
- HOA SaaS demos continue. We do not anticipate an increase in spend over our current website costs. The functionality would transition us from managing affairs via email and Excel to a hosted software tool designed to manage HOAs, including features such as:
 - Website replacement
 - Member self-service of contact information and communication preferences
 - Member visibility into billings and balances
 - Online payments
 - System of record for property information, such as grandfathered water meters, architecture approvals, notices, etc
 - Board portal to manage committee communications, agenda, minutes, etc
 - Member request tools that flow into tasks for Board Members and Employees
 - Member communications, newsfeed & voting
- We are looking for software providers where our data would reside in USA- ideally AWS, MS Azure, etc.
- We are demoing credit card payments through both Quickbooks and Melio.

3. Garbage

Michael Wade

BLW POA Dumpster Waste Guidelines



- **Rolloffs**- Scheduled in conjunction with HOA's schedule- 5 holiday weekends (Memorial Day, Fourth of July, Pioneer Day, Raspberry Days, and Labor Day). TJ missed raspberry days due to a family emergency.
- **Dumpster Gate**- Board approved installation of a vertical pivot gate, which will use same access technology as the beach gate. Michael discussed new gate being 11 weeks out but other part of work should start soon.



Your actions can cause damage to the County's trucks.

Please respect the following rules:



Starting in the spring of 2023, we plan to have a roll-off dumpster available for these items (no refrigerators or tires) on the following weekends:

- Memorial Day
- Independence Day
- Pioneer Day
- Raspberry Days
- Labor Day

Each property can bring 5 tons of items for free (extra charges for refrigerators and tires) to:

Bear Lake County Landfill
175 Willowbrook Lane
Montpelier, ID 83254

(208) 847-4259

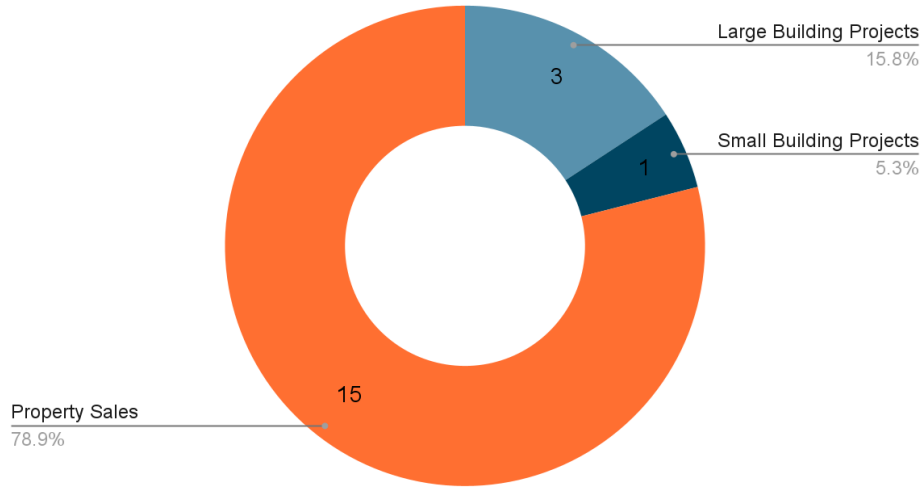
M-Sat. 7:30 AM – 5:00 PM



4. Building, Maintenance & Plowing

Michael Wade

Building & Sales Activity- 12 Months



Driveway Plowing- After careful consideration, driveway plowing will no longer be a Board sponsored activity.

- Our community has had too much growth and we plowed almost 100 driveways last winter.
- We face succession planning challenges with plowing in general, and driveways are harder to find individuals willing to perform the work.
- We also recognize we did not have the best equipment for plowing driveways, and did not want to make additional capital investments into equipment just for driveways.
- The HOA and most other Bear Lake HOAs do not offer plowing to their members.

- Road Plowing Plan for 2024- Dan Fillion to take an early morning initial pass, and then Lowell & Michael can continue throughout the day. In the process of hiring another part time plowing resource. May continue to hire a third party to widen roads, as needed.
- Lowell will be plowing driveways this winter, members can contact him for details and sign up if desired.
- POA owned roads have been maintained. POA will allow equipment to be rented by members with approved operators(Dan and Lowell) Roads to the sewer pump generator and Plat C water tank were upgraded.

5. Water Operator's Report

Dan Fillion

My name is Dan Fillion, I am the public water system operator for Bear Lake West POA. My job is to maintain the BLW/POA water system, submit water tests to the lab and DEQ to be sure you are getting safe clean water. I have been doing this for 17 years.

The 2022 Consumer confidence report for the POA water system PWS# 6040044, has been filed with the state and DEQ office. This report details water testing results for our water system. Copies of this report are available at this meeting. Additionally the report is posted at Cooper's Restaurant, at the BLW/POA mail boxes and at the bulletin boards located at the corner of Mountain Way and Dutch Canyon and at Mountain Way and Canyon ridge intersections. This report is also available at the bearlakewestpoa.com page, or you can request a hard copy of the report by contacting Dan Fillion at 208-479-6617 and he will mail one out to you.

Water usage for the last 12 month cycle ending July 31 was 5.4MG, 2.16MG on the Plat-B well and 3.24MG on the Plat-C well. This is a slight decrease over last years numbers.

Water usage for the Month of July 2023 was 1.18MG, 497K on Plat-B and 688K on Plat-C.

BLW/POA is currently up to date on Govt. mandated testing.

The water system is currently working well and no large leaks have been reported.

The long wet winter helped to raise our static well levels by several feet this spring which is desired.

BLW/POA will be doing a water tank relining project later this month on the Plat-C reservoir. AmTech, a water tank lining firm, will be handling the job. The repairs are expected to take a week to 10 days to complete. Short/temporary water outages may occur on upper Plat-C during this time. System operator will warn affected residents ahead of these possible outages.

Please remember that your water meter is the property of the water system, but it is the responsibility of the homeowner to provide access to the meter, by keeping the area around the meter free of overgrowth and or debris. You may want to familiarize yourself with your water meters location on your property. Most of the POA's meters are marked by a blue painted T-post or rebar. Please do not remove or relocate these markers as they allow water system staff to find your meter quickly in the event of an emergency, so as to be able to turn the water flow off in case of a line break. Please feel free to E-mail any questions you may have about our water system at def3315@aol.com.

6. Other Water Updates

Dan Fillion

Water Rights

Idaho Department of Water Resources has begun the water right adjudication process in southeastern Idaho. They want water rights holders to PROVE that they are using the water, or all the water that they have a right to. If you can not prove your use they can/will take your water.

The Board agreed to form a water rights committee, to be led by Nate Cason. We are retaining Laura Schroder, specializing in water law within Nevada, Washington, Oregon, Idaho, Montana and Utah. We do not foresee issues, but would like to ensure we properly complete all paperwork.

Individual homeowners do not need to complete any forms.

PFAS Settlement

The Idaho Rural Water Association (IRWA) teamed up with the National Rural Water Association- and engaged a law firm to file a cost recovery action in the event we have PFAS contamination. PFAS is Teflon which has commonly been used as a pipe joint sealing compound in water systems; it may or may not be present in our water system and many others across the country. We are not required to test for this compound, but given the MCL (max contamination level) is 4 parts per Billion, that means that even a small amount in our system EPA/DEQ could require us BLW/POA to mitigate the issue at our cost. Our Board approved joining the cost recovery action in late 2022- it provides relief for remediation, if required.

As of this month, there was a 1.185B settlement to go towards testing for PFAS and to water systems who subsequently do find PFAS in their water system. We have been asked to perform such testing, and are in the process of doing so.

7. Financials

Amy Karcher

- Financials- For 2023:
 - Income- As expected. Bank interest has exceeded expectations, due to increase in interest rates. Also, building applications fees and water hookups are up. Snow Plowing will not be billed in 2023. Water will be billed in October 2023.
 - Expense- We are over budget on income tax (\$2k- due to increased snow plowing fees collected in 2022) and fuel costs (\$2k- due to high fuel prices and usage during the winter). Otherwise, we're tracking well within expectations. The capital project for the plat C well will put us over budget, as we have \$20k allocated to capital improvements & contingency fund. Technically will be capitalized and depreciated over it's tax life.
 - Liabilities- We held 3 joint meetings between the POA & HOA Boards in the past year. A \$95K liability recorded to reverse an amenities surplus that was refunded to members as an offset against a prior sewer assessment. The HOA did not refund their portion- and it is expected to be needed in the future.
- Budget- For 2024:
 - Income- We are proposing the following increases for 2024:
 - Special assessment of \$150 per lot for 2 years, which provides \$121,500 towards plat C water tank relining
 - POA dues increase from \$265 to \$310 per lot, which provides an increase other needed labor costs- \$18,490
 - Removing snow removal income. Did not decrease labor costs due to anticipated increases in cost of labor.



Supplemental Information from Prior Meeting Minutes

Driveway Plowing

Will POA continue to plow driveways? The Board was initially tied, but subsequently voted to discontinue the driveway plow program.

Option 1: We keep snow plowing driveways for another year, and then reassess.

- Revenue- Our snow plowing revenue landed around \$26K last year, up from \$9K because we raised the rates. See below 2022 to 2021 income comparison. I think we all agree the former Board was not charging enough, and the new variable rate increased roughly \$15K in revenue.
- Equipment- We don't have the right equipment, so we'd need to either rent or purchase something. Do we want to spend the money on equipment while we are unsure of the future of the program?
- Labor & Succession Planning- At this time, it seems only Lowell is interested in plowing driveways. If something happened to Lowell, would we be able to recruit others to perform the work? We have had a few people interested in plowing- but driveways are a challenge.
- Sign-Ups & Communication- We will have better technologies to manage the sign-up and complaint process shortly. We could even load photos of expected plow patterns to level set expectations.
- Insurance- Our liability and workman's comp policies would cover any incidents.

Option 2: We stop plowing effective this year. Lowell to recruit members to his private plow program.

- Budget- Decrease of \$26K in revenue year over year. We have never had our contractors break out their time between plowing roads vs driveways, so we'd have to estimate the decrease in labor costs that offset the change in revenue.
- Equipment- Less wear and tear on our equipment over time. Lowell would have to purchase his own, which he has on order.
- Signups & Communications- This would be Lowell's responsibility.
- Insurance- Our policies won't cover- Lowell would need to have his own.
- Logistics- Are people going to park on the street as they try to figure out how to shovel out their driveway? In the event of an emergency or challenge, homeowners can still rent our heavy equipment and hire an "approved operator."

Plat C Water Tank Project

Plat-C Water Tank Repair

About 3 years ago, during a regularly scheduled water tank inspection, it was noted that the tank lining in the Plat-C reservoir was beginning to degrade. At that time the water system operator reached out to the company that did lining projects on our Plat-B reservoirs. Unfortunately this company was unable to provide BLW/POA with a bid.

At that time Bear Lake West POA water system operator began to contact other companies to request a bid for services relating to relining the Plat-C reservoir. Operator contacted 5 different companies and was turned down by all 5.

In late 2022 BLW/POA contracted with Maguire Iron, a National water tank repair company, to do an independent inspection of or Plat-C reservoir. Maguire iron sent a representative who did do a water tank inspection, confirming that the Plat-C reservoir was in need of relining. Unfortunately due to the slope of the access road to to water tank, Maguire Iron also declined to provide a bid for the needed repairs.

In Late 2022 Amtech tank lining company contacted BLW/POA to ask if we had found a Contractor to do the needed work.

After much back and forth with Amtech, BLW/POA received a bid to do the needed repair work. Water Operator recommended moving forward due to the fact that it has taken a number of years in order to secure even 1 bid for the project and the fact that the bid received from Amtech was also time sensitive, meaning that if it had to be updated the costs involved would continue to go up rather than down.

After careful consideration of the costs and the limited possibility of receiving any competing bids, the Board decided to accept the bid from Amtech. A special assessment for a portion of the costs is included in the proposed budget.

Amenities Surplus Liability

The POA had a joint lunch meeting with the HOA in April. One item on the agenda is the 2019 amenities surplus that was refunded to POA members against a special assessment for the sewer with the 2021 dues. Per the HOA & Amenities Accountant, It was a surplus, to be spent at a future point when the money is needed. The HOA has kept the liability on their books all this time and plans to distribute the funds as needed. It is expected the funds will be needed over the next few years.

There seems to be a misunderstanding between the prior boards, as the prior POA Board was under the impression it was truly a surplus. Confusion stems from past precedence where amenities temporarily returns surplus dollars every year to the HOA & POA as of 12/31 (for tax purposes). The money is returned after 1/1 of the subsequent year to roll into the next budget. At that point in time, the HOA made an unprecedented decision to hold onto the surplus to ensure it didn't get spent unnecessarily. Allegedly, the POA was supposed to do the same. After several years of it accumulating and not being refunded, it was considered an actual surplus and partially refunded against the POA's 2019 sewer assessment. We have been unsuccessful in obtaining amenities board minutes from that timeframe. We have not been able to locate any proof of what the arrangement was at the time.

Based on our roughly 60/40 ownership, we will need to match the funds as they are re-contributed to amenities. Accordingly, we added an accrual onto our balance sheet to reflect the liability in 2023.

Going forward, the HOA & POA agreed that we will always follow the past precedent of returning funds to amenities after 1/1 of the subsequent year so this confusion does not happen again.

Member Q & A

Rich Greenwald-Will PFAS be testing done after reline?

Dan provided information about the PFAS testing and how it works, and that testing will be done at a future date.

Jim Degroot-update on Mountain Way?

Amy stated that the classification of road is 'substandard county road with no winter maintenance', however the county has agreed to perform limited summer maintenance. Michelle added that Mr. Arambel will assist in plowing Mountain Way as necessary with his own equipment that will be housed at the bottom of his property at the top of Mountain Way. Dan updated what he's done so far with the road, Jim said we should be using a grader for plowing.

Mr. Erikson- new beach? Amy responded with information regarding that many years ago, there was talk about a new beach in a different location, but could not find anything that was feasible in cost and location. The current amenities board has been considering options, including a better solution for parking at our existing beach, which they will discuss in the joint amenities meeting.

Mike Tilley- what about some of the new colors of homes that are being built when our CC&Rs refer to a mountain?

Per our CC&Rs; Architecture/construction and exterior building and roofing color shall be so that all dwellings are conducive to the rustic or mountain setting and must be approved by the Board.

Prior to 2014, our CC&Rs provided specific colors that were prohibited. In 2014 the membership voted to remove specific colors as they were too subjective, open to interpretation and difficult to enforce. Since the membership removed specific colors from our CC&Rs, it is a challenge for the Board to enforce something that our members voted to remove, give the HOA Act now places more power in our governing documents than the Board's opinion. We can recommend, but given what has historically been approved in the last 10 years, we need to be mindful of what we're rejecting and whether it's consistent with precedence set by prior Boards. That being said, we definitely do not allow bright white. The Board did hold a bond last year on a recent build after the contractor changed the approved color to a bright white, and released it when he changed it back.

Rok Erekson- What about light pollution? As light pollution is not specified in our governing documents, we can recommend but cannot enforce.