

Cottages at Blue Water Owners Association, Inc.
Annual Owners Meeting Proceedings
18 September 2010

Meeting was held at Blue Water Resort in Garden City, Utah. It started promptly at 10:00 am and was directed by Association President Gene Watson. President Watson introduced the officers and board members. All board members were present.

Carol Hyde was the meeting registrar. Debbie Forakis and Curtis Nelson were this year's election judges. Joann Allen verified that a quorum of 19 members and 21 members by proxy were in attendance.

President Watson thanked the members for their support and attendance of the annual meeting. The board is trying to meet all members' needs and concerns.

Approval of 2009 Meeting Minutes

Minutes for the 2009 annual association meeting were presented for approval. **Upon motion duly made** by Kathy Larkins, seconded by Stan Groen, all were in favor and none opposed, the association membership approved and accepted the 2009 annual meeting minutes.

Nominees Presentation

There were three applicants for two board positions vacated by Gene Watson and Alan Delahunty. Hugh Barlow, Craig Schiffman and Gene Watson are the three applicants.

Financial Report

Jeff Probst, Treasurer, reviewed the finances and reported that things are running well. The payments process includes Leon Hyde, Vice-President, with the responsibility of accounts receivable. Then, Jeff receives board approval before payment of any bill. All bills are paid to date. As of the end of August, the association's checking account balance is \$38,400. The current reserve balance is \$18,000.

Leon Hyde reviewed the Cottages Owners Association Financial Report. A copy was provided to each member. As of August 23, the assets total \$55,572. Collections are up to 98 percent.

2010 Operating Budget and Proposed 2011 Budget

Leon Hyde reviewed the 2010 budget and the proposed budget for 2011. Copies of these budgets were provided to each member.

The projected income for fiscal year ending 31 December 2010 is \$52,299 and expenses are \$46,258. The projected income for fiscal year ending 31 December 2011 is \$63,073 and expenses are \$59,600.

A discussion ensued regarding city water issues. Water was not billed from June through August 2010 water bill. Garden City increased water \$6300. Mike Hess brought up concerns about paying water raise without knowing usage. The board has been trying to work with the city to fix this problem. To deal with water increases, Mike suggested secondary water resources to lower water bill. This has been looked into and does not seem profitable because of the expense. Also, water rights were not available with the purchase of Cottage properties.

Landscaping expenses increasing 25 percent was questioned by Jeff Probst. He had concerns regarding where the money would be going. Additional expenses would include fixing the ditch liability, water issues, and additional landscaping needs. Curtis Nelson summarized an increase of \$1100 a year per lot to meet the budget's \$24 a month increase.

Upon motion duly made by Mike Hess, seconded by Mike Tyler, all in favor and none opposed, the association membership approved the 2010 operating budget and the proposed 2011 budget.

Landscaping Report

Curtis Nelson, representing the landscaping committee, reported the landscaping progress. Shiree Nixon is expert in field and working on plot plan ideas. Curtis provided a landscape plan and tree descriptions for discussion.

A discussion ensued. Concerns were made about too much foliage obstructing view and how not to increase the landscape budget. The landscape committee is working on discounts.

Gary Mickelsen questioned whether planting will be bid out or owners will donate labor on a planting day. This could cut cost. Debbie Forakis suggested doing this in conjunction with social. Ray Elliott (Blue Water) will allow use of their front-end loader.

Alan Delahunty asked about the results of the owner's poll. It included front road home owners want smaller bushes and lakefront owners do not want view obstructed.

The lilacs, planted on the front road, cost was \$420; which seemed like a good deal.

Gary asked about recreational vehicle parking; it is getting full. Suggestions included moving rocks back to expand parking, which would help reduce water, and limiting parking to one per cottage. Debbie suggested landscaping to help the looks in this area. Gene Watson reminded that this would cost money that is, currently, not budgeted.

Blue Water Resort and Beach Access (Ray Elliott)

Summer access at Blue Water Beach was changed this year by the State of Utah management plan. Parking on the beach was not allowed, only a drop off point. This is a trial for one year and, then, the decision will be made for future use. This was organized to help reduce the number of people using the beach that were not staying there. Results look favorable. Curtis Nelson commented that at first in seemed inconvenient; but, the beach was cleaner and less crowded. He was really happy with the results.

Boat launching is limited to one area. Alan Delahunty mentioned safety problems with people too close to launching area. Gary Mickelsen recognized the danger of launching areas not designated.

Mike Tyler questioned theft problems. None were reported this year.

Brad Hess brought clarity to Blue Water membership. The cost is \$156 per year. This includes use of the resort office, use of the pool and hot tubs, use of the playground equipment, room and RV discounts, etc. If the RV parking is full, RV membership has priority. But, dry parking is available until a site opens up.

Gene Watson informed that extra cottage home owner keys can be left at the Blue Water Office. If keys are needed after office is closed, these can be obtained at Vista Real Estate.

The Cottage HOA Website and Garden City Library

Debbi Forakis maintains the website bearlakeweather.com. This informative site can be used to see a live image of the lake, check weather conditions, view photos, and link to related sites. The Blue Water Cottage HOA is one of these links. Debbie has been working hard to update the site and it looks great. Leon Hyde suggested adding the Blue Water agreement.

Debbi informed members of valuable resources available in Garden City. These include the new community indoor pool, the exercise facility located through the clinic, and the library. The library has a great collection of books, computers, DVDs, VHS, a children's area, fax machines, copiers, etc. Free library cards are available for all cottage owners. It is open Monday and Friday from 2:00 pm to 6:00 pm, Wednesday from 10:00 am to 6:00 pm, and Saturday from 10:00 am to 2:00 pm. The Garden City Library website, www.gcutl.org, can be used for looking up book availability and online renewal.

Association Management

The problem of one cottage that was being rented out was taken care of by Mike Hess. He bought it.

Gene addressed the question of whether or not there is a desire for a summer party. Debbi Forakis suggested, yes; and, it could coincide with the spring planting.

Gene and Leon Hyde are still working on the property tax assessments.

Mel Questereit informed that the power was turned off during July; so, the power box was locked. The members were informed not to change timers and to make sure to turn valves back on if turned off.

The Cottage HOA covenants do not allow multi-ownership. The one timeshare was set up before the HOA covenants were made.

Alan Delahunty addressed animal issues. Garden City has a supervised leash law which the owners of the cottages are bound by.

Gary Mickelsen questioned outside light laws.

Debbi is setting up a four-by-four snow accumulation area for late November through spring. She questioned if anyone was opposed to it; there was no opposition.

Linda Barker suggested thanks and applause of appreciation for the current board members. This was unanimous.

Election of Board Members

Due to personal circumstances, Craig Schiffman had to withdraw his application, leaving two applicants for two board positions, Hugh Barlow and Gene Watson. Neither Craig Schiffman nor Hugh Barlow was in attendance.

A brief discussion ensued concerning the absent applicant. The applications state you should be there to be elected; but, it is not in the bylaws. (A copy of the bylaws was provided for each member.) It does state that if there are not enough candidates there can be nominations at the meeting. The consensus was to go by the bylaws.

Upon motion duly made by Mike Tyler, seconded by Mel Questereit, those in attendance unanimously and by acclamation voted Gene Watson and Hugh Barlow to the association board of directors.

Upon motion duly made by Mike Tyler, seconded by Curtis Nelson, all were in favor and none opposed, future board member applicants must be in attendance to be eligible to be voted.

Upon motion duly made by Brad Hess, seconded by Mike Hess, all were in favor and none opposed, bylaws need to be amended to reflect board member applicants must be in attendance to be eligible to be voted.

Debbi Forakis acknowledged Alan Delahunty for his years of service.

Meeting adjourned at 11:46 am by motion from Alan Delahunty seconded by Curtis Nelson.

Unanimously adopted by the general membership of The Cottages at Blue Water Owners Association during a regularly called meeting of the Association on the 20th day of November 2010.

Attest: _____