

**Continental Country Club
Homeowners Association
Meeting of the Board of Directors
May 18, 2019 10:00am
Meeting Minutes**

1. **Call to Order:** David Chambers, President, called the meeting to order at 10:00pm.
2. **Roll Call:** All members of the board were present except Bobby Zweifel. Staff Members present were Tahlia Murray, Kim Rushing, Linda Caniglia and Susan Thomas.
3. **President of the Board Address:** Chambers informed the Board and homeowners present that the May Meeting agenda is long and he wanted to cover the rules on how homeowners can address the Board. Homeowners have three minutes at the beginning of the meeting and at the end of the meeting. Homeowners can also make a comment after the Board seconds a vote but before the vote is finalized. Chambers asked that all the comment are directed at the Board and not amongst each other.
4. **Approval of Agenda:**
 - *Goitia made a motion to approve the agenda with the addition of the discussion of creating a nominating committee. The motion was seconded by Keegan and carried unanimously. (MSCU)*
5. **Approval of Minutes:**
 - Regular Meeting of the Board- April 23, 2019
 - *Rhoton made a motion to approve the minutes. The motion was seconded by McGrath and carried unanimously. (MSCU)*
6. **Discussion Items:**

Stephens & Company-2018 Year End Financials: Kevin Stephens:

Stephens stated they reviewed Continentals financial statements, which comprise of the balance sheets as of December 31, 2018 and 2017, and the related statements of operations, changes in member's equity and cash flows for the years then ended and the related notes to the financial statements. Stephens stated that based on their review, they are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

- *Smith made a motion to accept the 2018 year end financials. The motion was seconded by Goitia, Hoadley abstained. The motion carried.*

7. **Homeowner Participation:**
 - **Mike Sargent- 6110 E. Laurel Loop-** Walnut Canyon Lake Vendors Board Members:
This is a formal request to review and modify the protocol and overall management of the treatment of the water algae at Walnut Canyon Lakes which specifically pertains to the contract management of a vendor that specializes in

the water treatment as such. Over three years, CCC has contracted with the same vendor with poor results (Arizona Lake and Pond Management LLC). The communication and regular treatment has been very inconsistent and poor. The water has seldom been controlled over the summer with mixed results. This has been compounded with the lack of specific management from the CCC General Manager's office.

This same contractor previously decided, by themselves to stop treatment of Lake Elaine last year. Management did not determine this until six months or more after the fact. The contractor was administering about five gallons of chemicals to treat the individual Walnut Canyon Lakes. After pursuing the ineffectiveness of the treatment over the last three years, the contractor recommended to increase the quantity of chemicals from five to seven and then to ten gallons per lake. We have lost control over the management of the development of algae most years with results in a poor visual appearance, odor and dead fish (pictures attached). The contractor has been only responsive after constant inquiries as to why the development of algae persists and that their treatments have been ineffective. Major fish kill has also resulted in poor public relations with the media and public. The vendor's typical application consists of utilizing a small motorized boat and the dispensing the chemical around each lake with a sprayer. The then zig zag across the lake about a dozen or more times to saturate the lake and to properly disperse the chemicals. This process takes about a half a day to almost three quarters of a day to accomplish at both lakes. The chemicals used also include a blue dye. The water turns blue for several days after the chemical application. An agreement was reached last year with Chris Shields to have the vendor notify the CCC management when they were specifically going to arrive to perform their service. The CCC maintenance technician would then physically visit the site and confirm the actual treatment. This worked well for the final monthly treatment or two last year and was to remain the protocol going forward. It was also agreed that five or so consecutive monthly treatments were required commencing during the month of May through September. The vendor has indicated they have administered the chemical treatment for the months of April and May of 2019 and without the use of their boat. They claim to have walked the perimeter of both lakes to dispense their chemicals. CCC was billed and told what dates these services were performed after the fact (up to almost a month in arrears communicated). CCC management did not physically confirm the treatments. I personally live on the lake and have full view of the water. I was home both days in both months and also walk the lakes three times a day. I never saw the vendor regardless of the purported manner of dispensing of the chemicals. The lake's color was never changed to the color blue. We do not believe the vendor performed the proper services.

Recommendations:

1. Replace the current vender
2. Clearly articulate the contract specifications to be used
3. Insure we budget and treat at least five consecutive months each summer
4. Have a CCC representative physically confirm the monthly treatment in person
5. Insure the treatment utilizes a boat for proper disbursement of the chemicals
6. Insure at least ten gallons of the chemicals are dispensed at both lakes individually based on the current chemicals used

- **Natalie Cawood- 5310 E. Nordica Loop-** Split Rail Fence Variance- TABLED following an audit of all Design Review Forms of split rail fences
- **Douglas Hall- 2183 N. Old Stump Way-** VW Bug parked on side of house variance- Board granted the variance as long as the car is on a designated driveway it can be parked on the side of the house.

Golf Committee Report-Bill McGrath:

McGrath reported that April Golf was flat to budget at \$88,557. He stated that merchandise sales exceeded budget 3,430.00. He informed the Board that he is working with maintenance and Goitia on a resolution for the tree behind the golf shops which is causing extensive damage to the cart path and concrete. McGrath announced the 10-play card which is expected to be available for sell middle of June. He also informed the Board of the use of volunteer rangers on the course.

Property Management Committee-Charlie King:

King informed the Board and Members present the AAM withdrew from consideration for property management on May 15, 2019. After further discussion with President, Amanda Shaw, negotiations were reentered once a later transition date was discussed. AAM agreed to come meet the Board of Directors and make a presentation on June 8, 2019 and answer all questions they may have.

General Manager Report-Tahlia Murray:

Murray presented a property management software called VMS that AAM uses that could easily be installed at CCC. She informed the Board the CCC Pool opened on Saturday May 25, 2019 for Memorial Day weekend as planned. The full renovation of the locker rooms was completed on schedule. She stated that Warner’s has completed multiple projects around the property and common areas including planting, irrigation repairs and cleanup. She introduced new front desk staff Megan Harris and Julia Flower. Lastly, she reminded the Board of the upcoming event being held at the Continental Driving Range Blues and Brews.

CC&R Compliance Report: Linda Caniglia-

Caniglia reported that since the last Board meeting she has had 23 violations. She has had 4 new complaints reported that consist of the following:

- Noise (dirt bikes, dogs) -2
- Trashcan Storage (2)

Linda stated that design review forms have been very consistent. She suggested that the board consider a follow-up procedure for fences after they have been approved.

CC&R Compliance Report: Susan Thomas:

Monitored Properties	Non-Active (Appear to be De-listed)	Active but not in HOA	New Listings for May	Remaining to be identified
100*	25	26	4	3

* NOTE: These numbers are approximate as they can shift daily

Past Month Activities:

1. Started monitoring all rental sites on a rotating weekly basis to verify new or removed listings. Identified four new listings.
2. Started drive by monitoring of current active rentals.
3. Completed another 11 digital Master Files. (Permanent ability to ID STR's)
4. Researched additional rental sites: Rentbyowner.com, vacationrenter.com, Flipkey.com, Tripping.com and couchsurfer.com.
5. Started comparing Tenant Registration Form data with vehicles in the field.
6. Brought the Master Files current.

Goals for June:

1. Complete the update of the Business Works software with all current STR info.
2. Update all Master Files to reflect documented rental activity from May 20th on.
3. Start sending out reminders for deadline to receive Tenant Registration Forms (TRF's).
4. Create a spreadsheet of all TRF's received and needed.
5. Start fine letters.

8. Discussion Items:

- Town hall Agenda:

Introduction – David Chambers, President – Board of Directors
Review of December 31, 2018 Financial Report – David Evans,
Treasurer

Lake Elaine –

- Augustus H. Shaw IV, Shaw & Lines, LLC- attorney for Continental Country Club
- Whitney Cunningham -Aspey, Watkins & Desiel- attorney for Lakeside Legionaries

Capital Reserve – David Chambers

Professional Property Management – Charlie King, Chairman,
Property Management
Committee

Golf Viability – Charlie King, Chairman, Golf Viability Committee

Short Term Rentals / Revised Rules and Regulations –

- Tahlia Murray, Interium General Manager – background of the STR issue.
- Charlie King, Chairman, Rules and Regualtions Committee
- Questions directed to Charlie King, David Chambers and Lynn Krupnik

Wrap up – David Chambers

- Annual Meeting Date: August 17, 2019
- 2019 Budget Revision- David Chambers
 Net income dropped \$23k
 Golf water +\$32k
 Lake Elaine cost -\$10k
 Employee compensation - \$22k
 Legal and Consulting -\$25k
 Depreciation +\$42k.

Golf loss increases from \$242k to \$304k – depreciation and water.

King made a motion to approve the 2019 Budget Revision. The motion was seconded by Keegan and carried unanimously. (MSCU).

- Babb Financial & Frank Windes Lease Renewal
 - No Subletting
 - Increase by CPI (2018)
 - Renew for 1 year with a 1 year renewal option
 - Define the number of parking spaces

Smith made a motion to approve the renewal of the leases of Babb Financial and Frank Windes. The motion was seconded by McGrath and carried unanimously. (MSCU).

9. Action Items:

- Property Management Contract:
 - **TABLED**
- Recruiting Committee
 - Bobby Zweifel
 - Dusty Rhoton

10. Informational Items to and From Board Members and Staff

11. Agenda Items for Next Month

- Split Rail Fencing Audit
- Firewood
- Modification of Design Review Form

12. Next Meeting: June 8, 2019- Town hall

13. Adjourn:

- ***Goitia made a motion to adjourn the meeting at 1:45pm. The motion was seconded by Keegan and carried unanimously. (MSCU)***

Respectfully Submitted By,
 Tahlia Murray
 Interim General Manager