



Canyon Lake Property Owners Association

**Regular Session Minutes  
of  
The Board of Directors  
Tuesday, September 6, 2011 - 7:00PM  
CLPOA Holiday Bay Room**

President Chenette called the meeting to order at 7:08 PM. Directors present were Paul Chenette, Larry Neigel, Sean McDonald, Chuck Newsom, and Dawn Haggerty. A quorum was met. Also present were the Interim General Manager, Jovan Grogan; Director of Finance, Christopher Mitchell; Operations Manager, Paul Johnson; Compliance Manager, Kathryn Rich; and Corporate Administrative Assistant, Kathleen Wheeler.

Pledge of Allegiance was led by Director Newsom

Invocation was led by Dennis Korte

**Special Presentations (if any)**

Presentation by Paul Chenette to Norman of the Junior Golf League.

**Approval of Minutes**

A. *Regular Session* - July 5, 2011

MSC (Haggerty / Newsom) Moved that the Board of Directors approve the minutes as submitted. Motion carried unanimously.

**Report of Executive Session Act**

The Board held an Executive Session Board meeting on September 6, 2011 at 1:18 PM at which time litigation, member discipline and personnel matters were discussed. The Board instructed legal counsel on certain litigation, potential litigation and assessment of related matters. Received and considered legal advice on litigation and potential litigation issues. The Board considered twenty-six financial/legal matters (reimbursements, foreclosure, money judgment or payment plans) and motioned to approve twenty-one and tabled five.

**COMMUNICATION FROM ASSOCIATION MEMBERSHIP**

- Ken Boline, 3804-167  
At the August POA Board meeting, the Board authorized an expenditure for the development of the tennis club facility. Member Boline feels that this action was made without a clear understanding of the scope of the task and/or it's potential legal problems. The proposed building would be shared with other clubs/or it could be rented out for

additional income making this a proposed Community Building. The Association was asked to enter into an agreement with Vineyard Valley Interior Design to carry out a proposal for architectural designs. Following are some problems with implementing such an agreement. 1) The community building is not a residential structure and must be documented and designed to meet all state and local building codes. 2) No reference to a building design in the proposal. 3) Vineyard Valley is not shown as a licensed architectural firm. 4) Cannot see how to justify \$550,000 or need a 3,000 square foot building. Member Boline suggests that the Board consider a factory manufactured housing unit. Requesting the Board rescind the authorization.

- David Johnston, 3831-044  
Member Johnston has been requesting an organizational chart and has not received one.
- Robert Whiteside, 3716-346  
Member Whiteside commented that the televised board meetings are not clear in sound.

### **GENERAL COMMENTS FROM BOARD MEMBERS**

- Sean McDonald  
Thanked the members for coming to the meeting. Announced with sadness that his business has burned down. Appreciate the kindness of the e-mails and phone calls. Directed McDonald gave a safety speech on why you should not keep battery charges plugged in. Spoke on the forensic audit and that fifteen (15) issues have been identified with three or four going to the grand jury. Thanked the forensic team for all their hard work. The Board still plans to publish a quarterly report and is currently in draft form. Further stated that the POA is doing what they can to honor all of the campaign promises and appreciates all the people who have supported the board.
- Larry Neigel  
Asked the members present to put a request to the community that the POA office is looking for CPA's who would like to help sort through documents.
- Dawn Haggerty  
Mentioned she is glad be back from China and apologized for missing the August 2<sup>nd</sup> meeting. Mentioned the Boards accomplishments so far and look forward to the future. Stated that the Board is dedicated to keeping their promises. Director Haggerty discussed that the Board has screened forty-two (42) resumes for the GM position, did seven (7) telephone interview and will be interviewing three on Friday. Director Haggerty closed by thanking those members who have called and said the Board is doing a good job. Continued on by stating that there are those who are constantly criticizing the Board with half truths. Asked the members to not accept this kind of behavior and further asked that if a member reads or hears anything negative to pick up the phone and call a board member.
- Chuck Newsom  
Mentioned that the Board is not just interviewing the final three for the GM's position but also interviewing two or three management companies.

- Paul Chenette  
Spoke on how he used to kid that his automotive shop was the complaint department for the POA. Director Chenette stated that it is so rewarding that when people come by they say the Board is doing a great job. Members are coming with positive comments. Director Chenette concluded by stated the current Boards record will show that they are doing a good job.
  - **COMMITTEE UPDATES**  
No updates
  - **COMMUNICATION FROM PUBLIC OFFICIALS**  
Ben Wick, 3868-254. Announced he is with the Elsinore Water board and that the water department will be doing some work on the water lines and sewer lines. Member Wick also state that he requested the Board to call the water board to install and use recycled water lines on the golf course.
  - **Staff Reports:**  
Jovan Grogan introduced Kathleen Wheeler as the new Corporate Administrative Assistant and gave a brief summary of her background. The GM went on to state that there were two workshops in August and they went well and will follow-up on an additional workshop in November. Spoke about fine amounts and how the Board is looking at reducing some of the fines as well as looking at the collection process. The GM closed by reminding the community that the lodge bar and grill will be open for the full NFL season.
- Director of Operations, Paul Johnson, stated he received the draft reserve study. Mr. Johnson stated that he gave the report to the Facilities Review Committee and the Director of Finance to begin the review process. Mr. Johnson spoke about the sea wall and drainage and that the old wall failed because unstable material was used. Mr. Johnson closed with the mention that the tunnel lights were replaced and they were immediately vandalized. The repairs have been done with cages around the lights.
- Director of Finance, Christopher Mitchell, stated that there are improvements in the July financials. Mr. Mitchell will prepare a report for the Friday Flyer. The finance department is continuing to work with the Finance Committee. Closed with the mention that the finance staff continues to work on challenges.

## **Board Consent Calendar**

1. **Golf Course Rule Modification to Section XVI, Part E. Play Days.** MSC (McDonald / Newsom) moved that the Board of Directors approve the aforementioned Golf Course Rule Modification to Section XVI, Part E to designate play days for Niner's and Family Golf clubs. Motion carried, 4 yes and 1 no by Newsom

## **Board Action Items and other Non-Consent Items**

### **Continued Items:**

2. **Establishment of Variance for Enclosing Balconies or Porches in the Setback. (30-**

day Reading) Tabled

**Staff Comments**

Jovan Grogan, GM stated that this item was on the agenda last month and it should be tabled for further research. Mr. Grogan read the problem from the documents. Mr. Grogan further stated that the Board directed staff to work on this matter with legal counsel at the August 2<sup>nd</sup> board meeting.

Sean McDonald commented that the criteria for enclosing balconies or porches is covered by the civil code. Mr. McDonald further discussed that he feels the Rules and Regs or the civil code should not be telling members they cannot have an h-vac system in enclosed patios. Mr. McDonald closed that he does not support the restrictions that have been set.

Chuck Newsom commented that this attempt is to bypass the CCT with the variance.

- 3. Board Meeting Relocation Costs.** MSC (Neigel / Haggerty) moved that the Board of Directors authorize the General Manager to expend \$22,374.18 for one-time purchases, as outlined in the provided table for supplies and equipment to relocate the monthly Board meetings to the lodge. Motion carries, unanimous

**Staff Comments**

Jovan Grogan, GM encourages the approval of funds to relocate the board meeting to the lodge from the Corporate office. The August meeting was held and the lodge and it was a success. Mr. Grogan further stated that the Board wanted this done immediately. There are one time costs of \$31,988.18 and they are listed in the agenda. Mr. Grogan noted that the micro phones are on loan from a vend and the ongoing costs of these are \$3,360.00.

Sean McDonald stated that the reason to move the meetings to the lodge is to accommodate all the members.

**Member Comments**

Dennis Korte 3868-446

The calculated cost for this relocation is \$4.50 per home owner for the remainder of their tenure. This is well worth the expense.

**New Business:**

- 4. Pay off Corporate Building Loan.** Tabled until more information is gathered.
- 5. Co-Ed Softball 2011 Revised By-laws.** Tabled
- 6. Canyon Lake Kids Club Seed Money.** MSC (Haggerty / McDonald) moved that Board of Directors approve sanctioning the request of the Canyon Lake Kids Club to receive star-up funds of \$5,000. Motion carries, unanimous

**Staff Comments**

Jovan Grogan, GM, mentioned that this club is started by the parents of the YMCA Mommy and Me group. When the dues were reduced the YMCA the club was cut. That gave the POA a savings of over \$26,000. This seed money is a start-up fund and going forward the financial contribution would be from parents. Mr. Grogan stated that sanctioned clubs only require 60% of the membership be from the CLPOA. Mr. Grogan further stated that all volunteers should be screened. Mr. Grogan closed with stating that when the YMCA contract was cancelled they staff of the YMCA came and cleaned out the supplies that were stored in Canyon Lake facilities.

Dawn Haggerty stated that donating \$5,000 to every club can be expensive and that is why we do not do that. Ms. Haggerty further stated that the Kids club is not sanctioned yet and that gives the Board the authority to donate money to them. The Board can donate the funds because we are saving \$26,000 annually. The club will be sanctioned after the award of funding.

Chuck Newsom commented that this seed money is a one-time expenditure and we are saving \$26,000 by not supporting the YMCA Mommy and Me Club. Mr. Newsom also directed the President of the Kids Club to see the Finance Director on setting up a budget.

Sean McDonald stated that it is difficult for the Board to make a determination on what clubs get money. Mr. McDonald stated that since this Board has been started a great deal of money has been saved and that is what is going out to the community. Mr. McDonald closed with requesting that the Kids club have an accounting for their expenses.

Paul Chenette confirmed what the fellow Board members have state and that the YMCA program was a great program.

### **Member Comments**

Dennis Korte, 3868-446

Member Korte offered to work with the Kids Club to come up with a budget.

Nikki Frakes, 3719-102 - president of the Kids Club

Member Frakes stated that the funds donated would be to purchase supplies for 25 children. The supplies would consist of scissors, glue, construction paper, beans, beads, macaroni, paper bags and other miscellaneous items including field trips. Mrs. Frakes stated that the residency requirement is that at least 60% of the members need to be residents of Canyon Lake. We have 25 to 30 people continuing on in the program. Only 3 are not canyon lake residents. We are starting from scratch and will accept anything.

Lavern Boline, 3804-167

Boline stated that it would cost \$100,000 if every club in Canyon Lake were to received \$5,000 in seed money. Mrs. Boline also stated that the Kids Club letter addressed to the Board states what is needed and that is fine but it would not cost \$5,000. Mrs. Boline concluded that the supplies should be purchased and there should be an accounting for the expenses.

Teri Murphy, 3718-220

Member Murphy stated that if the Board wanted to give money to different clubs we should do so in increments with an accounting of the expenses.

Ken Boline, 3804-167

Member Boline stated that helping the non-sanctioned clubs get started is a practice that has been going on. There is no precedent on donated money to sanctioned clubs. The two occasions that money has been donated have been to non-sanctioned clubs.

Jack Wamsley, 3831-317

If I am reading this they kids club does not have the 25 kids. Are these all canyon lake kids. We need to make sure we are not supporting outside kids. We should have accountability on the expenses on a ¼ basis. Would like to see the outside people have a small fee. If the \$5,000 is justified, it is for the kids.

Martha Golia, 3863-146

Member Golia is in agreement for having a children's club. If this is going to save money she is in favor of accountability.

Sandy Harvey, 3716-044

Member Harvery

stated that there is a risk of liability with the kids running around.

7. **Sanctioning Request from the Canyon Lake Kids Club.** MSC (Haggerty / Neigel) moved that the Board of Directors approve the Canyon Lake Kids Club as a sanctioned club effective September 6, 2011. Motion carries, unanimous
  
8. **Motorcycle Club Request for Seed Money for Annual Club Event.** MSC (Neigel / McDonald) moved that the Board of Directors approve the award of \$5,000.00 seed money to the Canyon Lake Motorcycle Club for the production of an annual Halloween Carnival and Haunted House. Motion rejected, 3 no by Newsom, Haggerty, Chenette; 1 yes by McDonald and 1 abstain by Neigel

#### **Staff Comments**

Jovan Grogan stated that the motorcycle club was approved last year but did not get final city approval in time to put on the haunted house. Mr. Grogan stated that final approval has not been granted from the City and is waiting on fire approval. The city is currently reviewing a private security plan.

Sean McDonald commented that for many years there was a Halloween event held on Indian beach and supports the Motorcycle Clubs Haunted House. Mr. McDonald has also stated that the objections coming from the Board have nothing to do with the Motorcycle club.

Chuck Newsom has commented on concerns of a Board member being part of the club and should not vote. Mr. Newsom also asked what money has been spent on this event.

Mr. Newsom concluded in stating that not every club has received \$5,000 and the clubs that did receive money is because they were cut from the budget.

Larry Neigel stated that the haunted house is for young children with their parents. Mr. Neigel further stated that the club wanted to put this on to start a new tradition. The City Manager put so many constraints on the club last year in which the permit could not be obtained in time to put the haunted house on. All kinds of constraints are being imposed by the City. All other clubs put on events and did get the health department approval. Mr. Neigel continued to state that there has been verbal feedback from other clubs that they will participate. This is not done on Halloween night to reserve that night for family. This event is to be a community wide event.

Dawn Haggerty stated that the discussion isn't about what kind of club it is. The issue is are we going to spend \$5,000.00 of seed money to put on a function. The issues is the Motorcycle club wants to put on a function. The Junior Women's Club puts on several major functions a year. You buy tickets and they earn enough money to pay for their events. Ms. Haggerty is against spending \$5,000 and starting a precedent.

### **Member Comments**

Jack Wamsley, 3816-317

Member Wamsley has concerns about the situation. Historically in town we have had a huge halloween event at the community church. We should keep in mind that this is a well-attended event. There will be booths at this event and how does the health department approval them. The event will be taking place on Friday, Saturday and Sunday night until 10:00 p.m. This is a school night and in inappropriate. There is also an implication that the Motorcycle club has been granted use of the Holiday Bay Room. This is a community room and we don't want this used. Who is paying for electricity? Mr. XXXXXX further stated that there is talk of a private security and had concerns about this.

Ken Boline, 3804-167

Member Boline questioned what is the age bracket on attendees. Mr. Boline also stated that if the age is 15 years to 25 years they will be raising hell in the community. Mr. Boline further states that the community is asking for trouble if we allow the kids to run the streets and also opening this up to outsiders.

Joe Kamachian, 3716-124

Member Kamachian had concerns about Director Neigel voting and should allow the four remaining Board members make the decision. Mr. Kamachian also stated that the \$5,000.00 seed money is for the initial cost of starting a club. It is not for existing clubs.

Patrick Colleary, 3846-207

Member Colleary stated that all comments have been listened to and feels that if the club wants to do something for the children then the community should support them.

- 9. Senior Center Request for replacement computers.** MSC (Haggerty / McDonald) moved that the Board of Directors approve the replacement of four (4) computers at the Senior Center with the cost not to exceed \$2,317.89 and further move, that funding is to be

drawn from the Repair and Replacement Reserve. Motion carries, unanimous

**Staff Comments**

Jovan Grogan stated the funds will be used for the replacement of eight computers. These computers are owned by the POA and there is funding for the replacement. Mr. Grogan further stated that the Senior Center has computer training classes and is in need up updated computers. Mr. Grogan stated that the primary costs of the new computers is MicroSoft Office software.

Dennis Korte, 3868-046

Member Korte suggested making a motion that the POA computers in Member Services be moved to the Senior Center and placing the new computers in Member Services. Mr. XXX further stated that the Senior Center does not need current technology.

10. **Golf Cart, Modified Cart & Insurance Review Committee Appointment.** MSC (Haggerty / Chenette) moved that the Board of Directors appoint Member Joe Kamachian to the Ad-hoc Golf Cart, Modified Cart and Insurance Review Committee, effective immediately. Motion carries, unanimous
11. **Reserving marina slips for weekend use.** MSC (Neigel / Newsom) moved that the Board of Directors authorize the CLPOA to create a policy to allow members to rent out vacant docks for a weekend period (Friday to Monday) for a cost of \$50 for the rental fee and \$100 refundable key deposit.

**Staff Comments**

Jovan Grogan commented that it was Director McDonald that introduced the idea of renting the marina slips for the weekend. Mr. Grogan further stated that there are currently five open slips.

Sean McDonald commented that members would be more than happy to put their boats for the weekend.

Directors Haggerty and Newsom agreed that having weekend rentals is a good idea.

12. **Interior Improvement to Country Club.** Tabled

**Staff Comments**

Dawn Haggerty commented that there are concerns on the type of chairs and other repairs. Ms. Haggerty further commented that the Board need more time to research before a vote is taken.

Sean McDonald commented that there are a couple of items that need to be done. 1) The walkway by the bar needs to be moved out and 2) Utilize the patio area and make the bar larger.

**Member Comments**

Joe Kamashian, 3716-124

Member Kamashian is concerned why it is tabled. Mr. Kamashian inquired to see if the concerns could be addressed tonight and a vote be taken.

- 13. Replacement of Lodge Dock Causeway.** MSC (Chenette / Haggerty) moved that the Board of Directors authorize the General Manager to enter into an agreement with Bayshore & Barrett of Long Beach, CA, for the replacement of the Common Dock adjacent to the Lodge in an amount not to exceed \$86,000.00 including installation and tax.

**Staff Comments**

Paul Johnson commented that the current dock has a few challenges. Different parts of the lake could use the old docks. The Board has received proposals from three companies that are similar to the newest docks marina slips. The new dock would constructed like the new docs with aluminum.

Dawn Haggerty commented that people are going to the lodge on Saturday night with cover-ups over their swim suits and if the dock is being used we need a safe one.

Paul Chenette commented that the dock is unstable when you walk on it and does need to be replaced.

**Member Comments**

Jack Wamsley, 3816-317

Member Wamsley commented that there is a considerable difference from top bid to the lowest bid. Are we positive that this is marine aluminum?

Bob Whiteside, 3716-346

Member Whiteside commented that the docks and launches at Holiday Harbor are among the busiest and if the POA is going to fix one then Holiday Harbor should be looked at too.

**14. Discussion – CLPOA Board Suggestion Form**

Sean McDonald introduced the CLPOA Board Suggestion Form and the idea is to have members access it through the website. Mr. McDonald further commented on how the form should be completed and turned in.

- 15. Property Liens for the month.** MSC (Neigel / Haggerty) moved that the Board of Directors authorize Corporate Counsel, the General Manager or the appropriate personnel to record the liens against the attached Assessor Parcel Numbers in accordance with Civil Code 1367.1 in order to secure the debt owed to the Association. Motion carried, unanimous

	<b>APN NUMBER</b>		<b>APN NUMBER</b>		<b>APN NUMBER</b>
1	355-411-018	20	353-192-001	39	353-092-006
2	355-411-020	21	355-141-003	40	353-002-033
3	355-183-018	22	355-155-011	41	353-021-002

4	355-173-001	23	355-143-005	42	353-023-006
5	355-222-040	24	355-131-015	43	353-041-044
6	355-222-028	25	355-103-048	44	353-041-057
7	355-223-002	26	355-350-011	45	353-052-012
8	355-263-021	27	354-132-021	46	353-082-034
9	355-272-016	28	355-091-009	47	353-074-014
10	353-132-015	29	355-391-027	48	353-245-007
11	353-113-009	30	355-403-006	49	355-111-031
12	353-112-028	31	355-032-005	50	354-192-023
13	354-090-001	32	351-181-002	51	355-281-013
14	354-081-006	33	351-152-008	52	355-341-013
15	353-222-021	34	351-183-008	53	353-262-012
16	353-231-048	35	351-182-005	54	353-242-018
17	353-201-015	36	354-241-007	55	353-161-017
18	353-201-012	37	354-220-034		
19	353-182-012	38	354-220-014		

**ARCHITECTURAL APPEALS – None**

**CLOSING COMMENTS**

**ADJOURNMENT AT 9:24 P.M.**

Respectfully Submitted,

  
 Dawn Haggerty, Secretary