

**Cedar Blue Property Owners Association
Board Meeting
January 17, 2015**

1. **Board Members Present:**
Wendell Kluge, Tonya Glasgow, Clyde Kluge, Maggie Thompson, Gerry Batt, Ken Brown, Dewayne Denwalt, Ronnie McGee, Delton Yoder
2. **Board Members Absent: None**
3. **Property Owners Present:** The owners of 36 lots were present.
4. **Call to Order:** The Board Meeting was called to order at 11:11 am by Wendell Kluge, President.
5. **Moment of Silence:** A moment of silence was observed.
6. **Approval of the Meeting Minutes for December 20, 2014**
A motion to accept the minutes as written by: Clyde Kluge
Seconded by: Ken Brown
The motion passed unanimously.
7. **Committee Reports**
Committees have been created and implemented to oversee different areas within the Park. Each committee has authorization to take care of certain actions and will present a written report every month that will become a part of the minutes. You will see that there are times when more than one committee can be involved in a project. If you would like to volunteer to be on any of the committees, please email/contact any board member. Cedar Blue welcomes your help, ideas and suggestions. These committees and its members will be posted on the website.

Environmental Committee

Chairman: Ken Brown

Members: Ronnie McGee, Delton Yoder, Dewayne Denwalt

See attached report as read by Tonya Glasgow.

Personnel Committee

Chairman: Wendell Kluge, President

Members: Tonya Glasgow, Vice President

Clyde Kluge, Treasurer

Maggie Thompson, Secretary

See attached report as read by Tonya Glasgow. The Personnel Committee is meeting today following the Board meeting to discuss the hiring of an office assistant.

Financial Committee

Chairman: Clyde Kluge

Members: Tonya Glasgow, Maggie Thompson

See attached report as read by Clyde Kluge. Not noted in the Finance Committee monthly report is that fiscal year to date we are under budget \$14,613.52.

The use of the credit cards is uncontestable as the vendors accepting them are under the impression that the person using them is authorized to do so. As we continue to investigate, there are other areas that we are looking into which could increase the suspect amount to \$13,000. The CPA will be providing the Board with his formal report of his findings in the near future. We feel we have enough information now to let the owners know we have had problems. The park's attorney is supposed to be speaking with the county DA and the Sheriff's Department about potential criminal charges. At this point we cannot make any additional comments as we do not want to hinder the investigation.

Of note, Tonya Glasgow and Maggie Thompson will be reimbursed for expenses to work in the office (mileage, meals). Board members cannot be paid for their help and they are not being paid.

An additional thank you to JW Mann for getting the hot water system in the park office working.

A motion to approve the December 2014 financials by: Clyde Kluge
Seconded by: Delton Yoder
The motion passed unanimously.

Tonya Glasgow reviewed the accounts receivable: There are 10 lots remaining with unpaid assessments that will be foreclosed on. The lots that are currently in the foreclosure process are CB-061, CB-062, CC-056, CR-027, and GL-041. The process was supposed to have been started by the Park's attorney in December. The remaining 5 lots will be turned over to the attorney in March for foreclosure.

Total outstanding balances as of 5/9/14: \$77,290.12
Total payments received as of 1/16/15: \$56,924.87
Total Outstanding: \$20,792.75

Infrastructure Committee

Chairman: Tonya Glasgow
Members: Delton Yoder
Dewayne Denwalt

Security Committee

Chairman: Ronnie McGee
Members: Gerry Batt
Ken Brown
Maggie Thompson
John Thompson

See attached report as read by Tonya Glasgow. Wendell reminded the lot owners that the park no longer accepts cash payments so please do not drop cash into the drop box.

We are following up to see what is happening with the cell phone tower. To date we have not heard back from them.

Insurance Committee

Chairman: Ronnie McGee
Members: Gerry Batt, Wendell Kluge

See attached report as read by Tonya Glasgow.

Maintenance Committee

Chairman: Ken Brown

Members: Delton Yoder, Dewayne Denwalt, JW Mann

See attached report as read by Tonya Glasgow.

PLEASE TURN OFF INGROUND WATER WHEN NOT IN THE PARK.

ODEQ Committee

Chairman: Clyde Kluge

Members: Ken Brown, Wendell Kluge, Dewayne Denwalt

See attached report as read by Clyde Kluge. Clyde Kluge made a motion to accept the bid from Christian Construction of \$23,230 to relocate the Park's freshwater and wastewater lines. It was seconded by Ken Brown and approved unanimously.

Although the Committee approved an expenditure of \$500 to move the fuel tanks in order to relocate the force mains. However, Joe Bonham visited with Pitmon and they have agreed to move the tanks at no cost.

Ruth Watts (CB-008 and CB-011) - Do we know the approximate cost of the entire project? Clyde indicated that the original estimate was something less than \$600,000 and we are up to more than \$135,000. The infrastructure assessment will need to stay in place a while longer to cover the costs. We are on a timeline and Clyde will be making an extension request on phases 4 and 5, which the ODEQ knows about. The ODEQ was out here in November and Clyde indicated to them we may need a bit more time to complete these phases. The lagoon work will likely be the most expensive phase. Phases 1, 2 and a portion of 3 are done. Clyde believes that in the end the total cost may go over \$600,000. The one item that was not in the original estimate is the cost of the dirt and this is an expensive item. The dirt has to have bentonite in it so that when it's wet it swells up and this is how the walls are sealed. The bentonite is expensive.

We appreciate the hard work that the committee members have put into this project to get this project going. Some of the Board members have contacts with contractors which has helped us to keep our costs down.

Clyde did a quick review of the problem with the ODEQ. Within the consent order there is a phased plan and there are penalties associated with failure to perform. Due to lack of progress about 2 years ago the ODEQ exercised the penalty phase of our consent order and we are now under the potential of a \$60,000 fine for nonperformance. To date we have had to pay \$6,000 of that fine. We are trying to do everything possible to keep this from happening again. Under the new consent order they raised our potential fines and shortened the time frame to get the phases done. We are making progress. The ODEQ has been to the Park to see how we are progressing and told us to keep working our plan. Clyde thinks they will give us an extension on the Step 1 work. His plan was not to make the request until we could show we had accomplished some things. So once the lagoon work is finished then he will request an extension.

Don Emberlin (CC-097) asked if the shut downs were going to be during the week. Clyde indicated that the hope would be to be mid-week but cannot make any promises. We will try to do what we can to minimize the shut downs. The work will be all done prior to the shut down so the shutdown will be just to disconnect and reconnect.

The lot owners will be notified of potential shutdowns.

Covenants & Bylaws Committee

Chairman: Tonya Glasgow

Members: Maggie Thompson, Gerry Batt, Wendell Kluge

See attached report as read by Tonya Glasgow.

Maggie reminded the owners that the meeting minutes with all the committee reports are posted on the website under Documents.

Activities Committee – No Report

Chairman: Peggy Wright, President

Members: Julie Gillum, Treasurer

Sandy Kluge, Secretary

8. **Cedar Blue Park Report** – Tonya is continuing to go through the lot owners' accounts to be sure they are all updated and correct. She thanked everybody for paying their assessments.
9. **Fire Department Report**
Jay Hayes, CB Volunteer Fire Dept. Chief, called in and reported to Joe that all 8 of the Volunteer Fire Department individuals have completed their CPR training.
10. **Sonshine Community Church**
Terry Ray, Pastor, and his wife, Rose, extended an invitation to the lot owners to come and be a part of the church. It is a nondenominational church. They are praying for the park. They would also like to be a part of the park. When they have events with music and food all are invited. Church services are at 10:30 am.
11. **Old Business**
Golf Cart Meeting will be on February 28th at 10:00 am in the Family Center. Maggie shared about the agenda for the meeting. This will not be a time to complain but to come together to for solutions. There will be a breakout session facilitated by Board members. The groups will be tasked with coming up with rules, penalties and how to enforce them. This will be followed by the entire group then trying to develop a final plan based on the input of the various groups. This may take several meetings to complete. All owners are invited to come with their ideas. As a reminder the use of golf carts is granted by the Board of Directors. It is not regulated by the State of Oklahoma or any other entity. Most of the lot owners like to have the use of golf carts in the park
12. **New Business**
The Personnel Committee will be meeting today to talk about replacing the office assistant position.
13. **Property Owner's Comments - None**

Jerry Ellis (CB-105) – He thinks there is a leak in their water system. He was told to go to the office to complete a work order. He has his water shut off.

Ruth Watts (CB-011 and CB-008) – Asked what the office hours for the Park are. With normal staffing we are trying to have the office open 7 days a week. In the interim the office hours may fluctuate from 8-5 and 9-4. Until a new office assistant is hired, if owners needs to do business in the office they should call before making the drive to be sure somebody will be there to assist them.

Joe Potter (CB-275) – Asked about the ice. After going to an electronic gate system the Board reviewed the cost of an unmanned ice machine which was not cost effective. The plan at this time is shut the ice machine down. The profit margin for ice sales doesn't make it cost effective. Clyde asked Joe Potter what he would be willing to pay for ice as a lot owner just to get a feel for what his pain point is. It was \$2/10 lb bag. He doesn't care what it costs as he prefers to purchase the ice at the Park. It was noted the costs have to be considered, i.e., the machine, the electricity, the manpower, etc. Some mentioned they are willing to pay \$3/bag. Others were only willing to pay \$2/bag. It was suggested that pushing business to the Bait Box to contribute to her business might be considered. JW Mann suggested that if the Park does decide to continue with ice they should research new machines that are more energy efficient.

14. Adjournment

A motion to adjourn was made by: Ken
Seconded by: Clyde
Motion carried unanimously.
Board meeting adjourned at: 12:19 pm

**** Reminder to all owners, (as a courtesy), be kind to your neighbors
and please keep your pets on a leash. Thank you. ***
Cedar Blue does have a leash law.**

Environmental Committee Report January 2015 Board Meeting

Chairman: Ken Brown

Members: Ronnie McGee
Delton Yoder
Dewayne Denwalt

Permits for approval:

There are 2 building permits submitted for approval when this report was generated.

Goal for 2015:

The committee is in discussion to begin an update to the current Environmental guidelines that are being followed at this time.

Signed
Ken Brown
Environmental Committee Chairman

Cedar Blue Property Owners Association
Personnel Committee Monthly Report

Wendell Kluge, Chairman, Members Tonya Glasgow,
Clyde Kluge & Maggie Thompson

For Month of Jan 2015

1. Accomplishments:

- a. During the past month the Committee met in person and via Teleconference several times. Areas discussed included:
 - i. Termination of Office Assistant effective 31 Dec 2014.
 - ii. Developed a temporary staffing plan to cover the Park Office due to termination of Office Assistant.
 - iii. Reassigned rest room cleaning duties, in the Community Center, to Maintenance personnel. Other rest rooms are closed during the winter.
 - iv. A holiday leave plan was developed to allow employees to be off with their families.
 - v. Tonya Glasgow and Maggie Thompson, Board Members, have been volunteering to man the Park Office. They have also been organizing files and cleaning the office. We thank you very much!
- b. We continue to monitor the changes in staffing levels, assignment of duties and responsibilities as well as performance of employees.
- c. Due to the Christmas and New Year's holidays the Committee was unable to meet and work on the Employee Handbook.
- d. My thanks to the Personnel Committee for all the extra time and energy during this very busy time of year.

2. Future Activities

- a. The Personnel Committee is meeting to assess the Office Assistant vacancy and finalize a hiring plan.
- b. Complete our review of the proposed Employee Handbook and make available for full Board review in early 2015.

Wendell Kluge

Chairman Committee Chairman

Cedar Blue Property Owners Association
Finance Committee Monthly Report

Members: Clyde Kluge, Chairman, Tonya Glasgow, & Maggie Thompson
For Month of Jan. 2015

1. Accomplishments:

Reviewed the Financial Reports for Dec 2014.

a. Operating Account

For the month of Dec 14 the Park received \$62,849.43 in Ordinary Income (Annual Assessments). Expenses for the month of Dec 14 were \$18,522.17. Legal and Professional Fees were \$968.33 over budget and the Office Expense was \$47.02 over budget. The Legal and Professional Expense is explained in Paragraph 1.c., Office Irregularities. The Office Expense is due to additional work we have had to have performed on the office PCs to get them configured properly. The balance in the Operating Account is \$25,447.44 and the Money Market Account is \$111,985.88 for a total of 137,433.32.

b. Infrastructure Account

For the month of Dec 14 the Park received \$5,763.65 in Infrastructure Assessments. The Account paid out \$53,994.93 in expenses for our Engineer and for the Sprinkler Field work. The Infrastructure Account has balance of \$195,736.39.

b. Accounts Receivable: Tonya Glasgow report.

c. Office Irregularities.

Late in Nov 2014 during a normal bill paying event (writing checks for Accounts Payable), a Board made an inquiry of the Office Admin about the backup receipts to the Park's Wal-Mart credit card bill. The Park has a credit card with Wal-Mart to make short term buys of items that may be required and the on-hand supply has been exhausted. This might be for cleaning supplies, paper products, etc. It was also noted that the bill may be larger than normal. The Office Admin was not able to produce those receipts in a timely manner. The Board member did not pay that bill but asked that the receipts to back up the charges be located. The Board member was finally provided some of the receipts and then noticed there appeared to be charges on the receipts that would more closely align with purchases for home use (hamburger meat, etc.). An Investigation was begun into this matter and over several days of extensive effort and working with Wal-Mart we were able to obtain a copy of the signed receipts that backed up the credit card bill. After reviewing the receipts it appeared the bill was composed of items more likely to be used in a home. It was about this time that the Office Admin left on medical issues and never returned to work. This employee was later terminated for

abandonment of the position. The Finance Committee along with our CPA has continued to investigate this matter and the magnitude of the problem has continued to grow. We have missing cash payments for assessments and have found an unpaid corporate credit card bill that we are investigating. The Owner Records are all accurate and all payments have been properly posted for any cash payments. These are our results to date:

Supplier	Date	Cost	Suspect Charges	Status	Comments
Wal-Mart	11/22/14	\$730.84	\$445.02	Bill Paid	Suspicious charges
CBPOA, Inc.	Various	\$4,500.00	\$4,500.00	Paid	Cash payments to the Park and cash is missing
Amazon	11/4/14	\$225.41	\$225.41	To be paid	Still investigating
Pay Pal	11/23/14	\$151.02	\$151.02	To be paid	Still investigating
USCC	11/24/14	\$458.44	\$458.44	To be paid	Still investigating
CPA Fees	11/17/14	\$650.00	\$650.00	Paid	This is the actual cost incurred by the Park CPA to investigate this matter.
Total to Date		\$6,715.71	\$6,429.89		

2. Future Activities

- a. Continue to investigate the above noted issues.
- b. Support discussion with attorney and law enforcement agencies.

3. Thank you:

Since the above problem came to light and the Office Admin was terminated, we have had a number of folks step in from the Park to volunteer and some of our staff has taken on additional duties as we continue to work through this. Of special note:

- a. Staff: Joe, Jerry and Warren have all made themselves available to work extra shifts and hours to fill in due to the Office Admin vacancy. When you see them, please let them know that you appreciate their efforts!!!!
- b. Volunteers: Tonya Glasgow and Maggie Thompson for their efforts related to filling in for the Office Admin. They have been driving from OKC to the Park to work in the office. They have worked to clean up and organize the office files, continue to investigate this problem, posting income to the Park accounting software, making deposits to the bank, supporting our CPA in his investigation of our accounts and learning the QuickBooks software.
- c. Volunteer: JW Mann for his helping clean up the Office, backrooms and restroom. He also has been very supportive of the extra time that Tonya has devoted to the financial issues.
- d. Volunteer: John Thompson for his help with our gate system. Maggie Thompson has also helped with this along with getting the Parks data and records backed up to an offsite storage location. Maggie has also been working on a file management system for our computers. During the past month we have had a problem with our gate system computer and John has spent quite a bit of time working on that for us and learning

how to generate reports so we can make use of all of the data that we are able to gather from the gate system. John has also begun looking at our gate video system and has recommendations for the improvement of that system.

Clyde Kluge

Finance Committee Chairman

Infrastructure and Security Committee Monthly Report

January 2015 Board Meeting

Infrastructure Chairman: Tonya Glasgow

Members: Dewayne Denwalt

Delton Yoder

Security Committee Chairman: Ronnie McGee

Members: Maggie Thompson

John Thompson

Ken Brown

Gerry Batt

NOTE: The Infrastructure & Security Committees are working together with the electronic gate project. Therefore correspondence is sent to both committee's for review & comment.

Electronic Gate Accomplishments:

John Thompson, (Security Committee member), has been reviewing the electronic gate and video software
Ronnie McGee installed a mail drop slot at the office
Downsized gate personnel effective 10/6/14.
Installation of new area lighting for the office, parking lot, entry & exit to the gate system.
Increase of hours to Cedar Blue office for property owners' convenience.
Cell phones provided to staff.
Update to maintenance staff schedules.
On call schedule for staff contact in case of an emergency after hours.
Telephone provided at the gate shack building for 911 emergencies.
Creation of new procedures on behalf of the park.
Placement of work order forms & incident report forms for property owners' access at the gate shack building.
Continue to issue gate cards to the membership.
Relocation of cameras for both inbound & outbound monitoring.
Installation of gate system & electronics along with new computer in the office to monitor & manage the network.
Gates activated and in use; work out problems as they arise.
Installed concrete pads & sensor loops.
Installed additional tinhorn along Cedar Blue Road to allow access to new parking area located at the Cedar Blue office.
Removed barbed wire fencing & installed multiple-line wire rope fencing around the entrance and parking area located at the Cedar Blue office. Enlarged the entrance space and parking area located at the Cedar Blue office.
Awarded the contract for gate materials & installation.
Designed & gained approval for installation of Electronic Gate System at an estimated cost of \$35,000.00.

Future Efforts:

Continually work through new procedures for the park as issues and scenarios come about regarding exit & entry with the gate system. Staff scheduling will be reviewed as the seasons change from busy to slow. Make arrangements with an electrician to check to see if a disconnect switch can be installed to be able to use generator we currently have. Research will begin for an uninterrupted power system (UPS) for office computers and electronics in case of a power outage. We are working on a compromise that doesn't violate the Bylaws regarding guests.

Cell Tower Accomplishments:

Completion of signatures of contract with AT&T in July 2014.

Summary of contract:

Received \$800.00 for first year of option term with the possibility of receiving additional \$800.00 next year for final portion of the option term July 2014.
Once construction begins, Cedar Blue will receive \$800.00 per month and a one-time payment of \$10,000.00 which will be abated by the first years' rent.
Lease runs for multiple 5-year terms up to 25 years.
There is a 3% increase each year in the monthly lease payments.
AT&T estimates construction will begin before the end of 2014.

Signed

Tonya Glasgow

Infrastructure Committee Chairman

Signed

Ronnie McGee

Security Committee Chairman

Insurance Committee Monthly Report January 2015 Board Meeting

Chairman: Ronnie McGee

**Members: Gerry Batt
Wendell Kluge**

Accomplishments:

Wendell notified Mike Crews, our Insurance Agent regarding the installation of the metal roof on the pool house.

Planned Tasks:

The committee will begin a review of the commercial insurance package.
Renewal is 4/11/15.

Signed

Ronnie McGee

Insurance Committee Chairman

Maintenance Committee Report

January 2015 Board Meeting

Chairman: Ken Brown

Members: Dewayne Denwalt
Delton Yoder
JW Mann

ACCOMPLISHMENTS:

Jerry and Warren have been walking the park making sure there are no visible water leaks and turning off in ground water valves that have been left on by lot owners. Both men repaired a sewer leak located at Cedar North 23 & Cedar North 24. This task took quite a bit of time. The leak seems to have been going on for a while. Jerry & Warren repaired water leaks at Cedar Creek 97 & 98, Cedar Blue 26 & 27 and Cedar Blue 93. Maintenance repaired a low water line located under the sink in the men's bathroom at the Family Center. Jerry & Warren are beginning the process of clearing and cleaning up brush in the Cedar North area.

REMINDER TO ALL LOT OWNERS:

PLEASE remember to turn off in ground water valves for the winter months to prevent frozen water lines & valves.

We have a great staff and appreciate all the hard work they do for our park!

Signed

Ken Brown

Maintenance Committee Chairman

Cedar Blue Property Owners Association
ODEQ Committee Monthly Report

Members: Clyde Kluge, Chairman, Ken Brown, Ronnie McGee, Dewayne Denwalt,
and Wendell Kluge

For Month of Jan 2015

1. Accomplishments:

The Committee has received a bid from Christian Construction for the relocation of the Park freshwater line from its current location to new location outside the new walls for the modified lagoons. This bid also included the relocation of wastewater lines from LS1, LS28, LS22 and LS23. After analysis of the bid, the Committee recommended the bid be accepted. Analysis results are shown on the attached spreadsheet. Summary:

Estimate	Date	Cost	Cost/Ft
Preliminary	6 Jan 2015	\$23,230	\$20.12
Firm	8 Jan 2015	\$23,230	\$20.12
On Line Estimate	10 Jan 2015	\$25,804	\$22.35
Line from Lagoons to Sprinkler Field		\$48,190	\$24.77
Sprinkler Field Line		\$50,858	\$24.21

- a. The Committee approved the expenditure of \$3,000 to have our Sludge Removal and Disposal Plan prepared. The person that is going to do this plan was in the Park on 1/16/2015 to look over our project. This document must be approved by the ODEQ.
- b. The Committee approved the expenditure of \$500.00 for the movement of the fuel tanks in order to relocate force mains. We are to check with the fuel supplier to see if they will move the tank at not change. This money would come out of the Infrastructure Account.

- c. The Contractor that visited the Park last month to look at our lagoon work was back to meet with our Engineer and the ODEQ Committee on 12/12/14 to go over the lagoon effort in more detail. The meeting went well with the dozer operator and our engineer gaining a common understanding of the sequencing and timing of the lagoon work. The dozer operator needs some calculations performed by our Engineer on the volume of dirt to be handled, the volume of water and sludge in the lagoons to be disposed of and other items. A very preliminary estimate on the sludge removal would be in the \$7,000.00 range. This is being looked at as a “wet sludge removal” process using a pump mounted on a barge floating in the lagoons.

Our Engineer completed a preliminary estimate of the amount of dirt required to build the upgraded lagoon walls. He is now reviewing his “quick and dirty” estimate for further refinement to minimize the amount of dirt required. He plans to have that completed by 19 Jan 2015 so the Contractor can provide an estimate of the cost of this work.

As a heads up to all the owners, there may be periods of time that the wastewater treatment and fresh water systems will be turned off in the Park. This is due to us needing to relocate the main fresh water line into the Park and the need to relocate/disconnect/reconnect the wastewater lines from LS1, LS28, LS 22 and LS23. We will try to provide as much advanced notice of these outages as possible so owners can plan accordingly.

- d. The draft of the extension letter to the ODEQ has been provided to our Engineer and it is planned to have that to the ODEQ in the next week.

2. Future Activities

- a. Review the estimates on the lagoon work when they are received. There is not an ECD for this estimate yet.
- b. Submit request for extension on Phase 6 to the ODEQ.

Clyde Kluge
ODEQ Committee Chairman

Covenants & Bylaws Committee Monthly Report

January 2015 Board Meeting

Chairman: Tonya Glasgow

Members: Maggie Thompson
Wendell Kluge
Gerry Batt

Goals/Accomplishments for 2015:

- 1) Research the Covenants and Bylaws to make sure these documents are current and accurate.
 - A. Copy of Covenants & Bylaws prior to 1993 given to members of the committee.
These were provided by a long time property owner.
 - B. Clyde Kluge will be working with the committee to begin the research and comparison of the Covenants & Bylaws given to the committee by a long time property owner and the documents Cedar Blue currently reference.
 - C. Designated committee members will be going through recorded records at the Murray County courthouse to make sure the Bylaws & Covenants that are being used at this time are current.
- 2) Maggie has retyped in a word document for the committee, the Covenants and Bylaws so that each committee member can make notes and comparisons from what documents we currently have.
- 3) Evaluate the needs of Cedar Blue and propose revisions to the Covenants & Bylaws as required.

Signed

Tonya Glasgow

Committee Chairman

