

**SUN VALLEY ELKHORN ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
Monday, July 18, 2016 – 2:00 p.m.
Harker Center**

AGENDA BUSINESS ITEMS

1. Update from City Regarding Fire Station Equipment Storage
2. ADC Guideline Changes – Amendment to Notification Process and ADC Guidelines
3. Future Capital Planning Discussion – Owner Communications/Capital Bid Discussion

IN ATTENDANCE

Board Members	Staff, Counsel & Others
Peter Petersen, President	Chuck Williamson, General Manager
Ira Shepard, Vice President	Darlene Kuehn, Director of Finance
Nancy Auseklis, Secretary	Sue Ahern, Office & ADC Manager
Jim Monger, Treasurer	Jon White, Operations Manager
Harry Griffith, Director – <i>Arrived 3:00 p.m.</i>	
Jack Haase, Director	Jim Laski, Legal Counsel
Angela Mabon, Director	
Dave Galloway, Director	Owners and Others
Anita Northwood, Director	Peter Hendricks, Mayor of Sun Valley
	Keith Saks, City Council
	Pat McMahan, Sun Valley Water & Sewer

CALL TO ORDER

Peter Petersen called the meeting to order at 2:05 p.m.

ESTABLISHMENT OF A QUORUM

A quorum was established with nine (9) Board Members in attendance.

REPORT FROM SUN VALLEY MAYOR

Mayor Hendricks was in attendance and reported on the following:

- Budget approved for the next fiscal year at 7.1 million. Mayor expressed that each line item was reviewed and Department heads participated in cost reduction wherever possible.
- \$720,000 has been budgeted for repaving projects on Bitterroot Road. \$600,000 has been budgeted for chip sealing roads throughout Sun Valley. Jack Haase suggested quality control criteria on the materials used as the previous chip seal appeared to be sub-standard. The Mayor explained that material quality has been reviewed and a higher grade of oil purchased at a substantially higher expense.
- The City has employed a new city attorney, Matt Peterson. Currently applications are being received and interviews conducted for Finance Director and City Treasurer.
- Daytime watering restrictions were passed by Sun Valley Water & Sewer. No watering is permitted from 10:00 a.m. to 6:00 p.m. Odd and even days are in effect with even addresses water Monday, Wednesday and Fridays. Odd water is on Tuesday, Thursday and Saturday. No watering is permitted on Sundays.
- The Elkhorn Fire Station sleeping quarters expansion plans are proceeding. The Mayor reported only one bid was received in their bid solicitation process. As a result of this expansion, the recycling station will have to be permanently moved off site. A new recycle location has not yet been determined.
- Officials from the Cities of Sun Valley and Ketchum will be meeting with Idaho Power representatives to discuss the necessity for the proposed redundant power line and the use of large metal power poles. The Mayor requested any written comments be directed to the City. Ira stated

that Idaho Power made a presentation to SVEA a couple of years ago and the Board requested that power lines be buried in Sun Valley.

- The Solarize Blaine Program, sponsored by Sun Valley Institute for Resilience, is a community effort to support the installation of solar power on homes. The City is making an effort to help promote the program by the one-time waiving of permit fees on all application prior to August 15th.

OWNERS ADDRESSING THE BOARD

Margaret Walker, Account 1111, thanked staff for the work they have been doing on behalf of the Association members.

APPROVAL OF FINANCIAL REPORTS

The financial statements for March, April and May 2016 had been provided to all Board Members prior to the meeting.

MOTION: Nancy Auseklis moved to approve the financial reports as submitted. Ira Shepard seconded and the motion passed unanimously.

BUSINESS

1. Discuss Status of Elkhorn Fire Station Re: Section 3.13 (Equipment Screening)

Mayor Hendrick's proposed the use of a nylon screen material, a color yet to be determined, that could be affixed to the trailer covering the entire side and wrapped around the front. This would allow the screening material to be removed quickly in case of emergency. The trailer will be positioned nose towards Arrowleaf Road minimizing the trailer profile to the immediate neighbors. Keith Saks stated as part of the agreement to cover the trailer, the City wants SVEA to submit in writing the fire station is essentially in compliance for its operations and no other violation action will be taken. Keith reported that the City Attorney has been asked to render an opinion which essentially states according to Idaho Constitution the Cities have ultimate policing powers over their operations.

The Board deferred discussions to Executive Session. Pursuant to Executive Session, the Board is requesting, with the City application for the use of screening fabric, the following information:

- 1) A copy of the City Attorney opinion letter that Keith Saks stated would be made available.
- 2) Provide a photoshop type rendering of the appearance of the trailer after the screening material is applied.
- 3) Provide a statement that the material will not be see through and of a color that is harmonious with surrounding landscape and building.
- 4) Any agreement letter generated for the City with regard to future violation action must be approved by the Executive Committee.

2. Consider Amendment to ADC Guidelines

Chuck submitted for Board consideration the following amendment and modifications to the Architectural Design Committee Guidelines and application forms:

A. Amend and add proposed wording in Section 4.3.6 of the Architectural Guidelines to read as follows:

4.3.6 NOTIFICATION - Notification of neighbors, by certificate of mailing, of the meeting date and time is required. The applicant shall complete and submit Schedule C together with a list of the names and addresses of neighbors within 100'. The ADC Manager will then prepare and mail the notices via certified mail to each owner. The applicant may be required to reimburse SVEA for the cost of the mailing. Certified mail shall mean United States Post Office certificate of mailing.

Wording Addition: “For Minor Project Applications, where applicant is seeking administrative approval, notification of neighbors, by certificate of mailing may be required. Notice shall state the date administrative approval may be granted absent any objection from neighboring property owners. When notice is required, the applicant shall complete and submit Schedule C or C-1 together with a list of the names and addresses of neighbors within 100’ of the property corners. The names and addresses for owners within 100’ of the property corners can be obtained from the ADC Manager. The applicant has the option to complete the required notice process (Using Form C-1) and certified mailing requirements, upon prior approval by the ADC Manager, and have waived up to \$100 of any applicable approval fees, or, the applicant (Using Form C) can pay the stated fees and request the ADC Manager prepare and mail the notices via certified mail to each owner. Certified mail shall mean United States Post Office certificate of mailing.”

B. Notice to Neighbor Form and Application Changes: The addition of Schedule C-1 “Notice by Applicant” is a modification of Schedule C “Notice” used by staff to notify neighboring property owners of project applications. Schedule C-1 has been noted to direct any objections to the proposed project application directly to the ADC Manager.

C. Minor Project Application Changes: The “Minor Project Application” has been modified to include the additional wording informing the applicant they can complete the notification process or have SVEA staff do so on their behalf.

By adopting the proposed changes, applicants for minor alterations will have the option to assume more control over the notification process and eventual project timing.

MOTION: Anita Northwood moved to approve recommended revision of Architectural Guidelines Section 4.3.6 “Notification”; the addition of Schedule C-1 “Notice by Applicant”; and, revision to the Minor Project Application to accommodate those applicants who desire to complete the SVEA notification process and have up to \$100 in application fees waived, Jim Monger seconded, motion passes unanimously.

3. Future Capital Planning Discussions

Owner Communication Plan: Chuck reported the Communications Committee has approved a plan for enhancing communications with the SVEA membership. The plan objective is to minimize rumors with regard to the Boards actions as they discuss future capital planning and expenditures. Angela reported the Communication Committee will be sending out a questionnaire to learn from the owners how SVEA might personalize and better direct news and information to each owner.

Bid & Contractor Discussion: This matter was deferred to Executive Session as it involved contracts and bid information.

Motions as a result of Executive Session. MOTION: Ira motioned as part of the Boards ongoing amenity analysis, staff is directed to continue its investigation of a revised tennis program for implementation subject to additional Board dialog and upon receipt of requisite approvals, Anita seconded, Nancy Auseklis and Jack Haase abstained, motion passes.

STAFF REPORT

The Staff Report distributed prior to the meeting included:

General:

- *Twin Creek Ponds* - No information has been received from the County on the transfer of the Twin Creek Ponds to SVEA. Staff will follow up with the County if no information is received by July 31.

The last communication received indicated the County needed to correct the deed language to transfer the ponds to SVEA. Staff has requested a copy of the quitclaim for SVEA legal counsel review prior to filing.

- *Department of Water Resource Grant* – Work continues on the reconfiguration of the sprinklers and irrigation controller around the Harker Center, Harker Pool and Patty Rosewater Park. To date the water audit has been completed, some irrigation zones were eliminated, some irrigation zones combined and some irrigation zones reconfigured and repositioned. Early reports from landscape irrigation specialist is that head replacement alone has cut some heads from 50 gallons to 11 gallons per minute. Reconfiguration work should be completed by the date of the Owners BBQ.
- *BOR Grant Status* - The Bureau of Reclamation has denied the grant application submitted by the Galena Groundwater District. A successful application would have provided much needed funds for sub-association properties to implement landscape watering modifications, similar to SVEA's irrigation reconfiguration program. SVEA will be meeting with Association President's after Board meeting and will discuss the possibility of an Idaho Department of Water Resource Grant for the individual groups.
- *Accounting Changes* - SVEA is transitioning all accounting functions to full in-house management. Currently, dues statement printing and receivable reporting is provided by a third party. The move will allow for integrated accounts receivable and payable accounting functions entirely within SVEA. SVEA has been using Quickbooks software for many years for bank account management, payables and payroll functions. By fully incorporating invoicing and accounts receivable features SVEA will be able to centralize all accounting and reporting functions. This move should improve efficiencies, allow for better financial analysis and provide improved receivable controls. Quickbooks is a common accounting program that can be easily learned and is understood by most accounting and bookkeeping professionals. Should anything happen to key staff members, SVEA should be able to continue operations with a minimum amount of disruption. Ultimately, as accounting processes are normalized, Staff will seek improved accounting efficiencies in amenity operations and money control processes.

Amenities Report: There were no questions on the amenities report.

ADC & Compliance Report: There were no questions on the ADC & Compliance Report.

Dues Collections Report: There were no questions on the Dues Collection Report.

SVEA Management Software Development Update: There were no questions on the SVEA Management Software development report.

COMMITTEE REPORTS

1. Capital Improvements/Long Range Planning Committee ~ No Report.
2. Communications Committee ~ See comments under Future Capital Planning owner communication plan.
3. Executive Committee ~ No report.
4. Finance Committee ~ No Report.
5. Governance Committee ~ No Report
6. Recreation Committee ~ No Report.

7. Sub Associations Liaison Committee ~ Pete reported that several condominium association meetings have been held this summer and encouraged all directors to participate if possible.
8. Ad Hoc Water Committee – Pete reported the Ad Hoc Water Committee met earlier and discussed the committee's role going forward. Pete explained the water issues in Elkhorn are on-going and the Committee status should be elevated from Ad Hoc to permanent committee status. After discussion, ***MOTION: Jack Haase moved to approve the Water Ad Hoc Committee becoming a permanent committee, Anita Seconded, and motion passes unanimously.***

Pete introduced Pat McMahon, General Manager, Sun Valley Water and Sewer to report on watering restrictions and rate modifications recently passed by the Sun Valley Water Board. Pat stated the SVWB approved a resolution which restricts irrigations to three (3) days per week with an even/odd rotational system. Even addresses will irrigate on Monday, Wednesday and Friday. Odd addresses will water on Tuesday, Thursday and Saturday. No water permitted on Sundays. Irrigation is not permitted during the daylight hours of 10:00 a.m. to 6:00 p.m. Pat informed those present SVWB increased water rates for both domestic and irrigation consumption. Starting July 1, irrigation rates will be increased by 40% and beginning December 1, domestic rates will be increased by 30%.

OTHER BUSINESS

There was no other business discussed.

EXECUTIVE SESSION

An Executive Session of the Board was called for the purpose of discussing contractor negotiation, vendor relations and potential litigation matters.

MOTION: Jim Monger moved to adjourn into Executive Session to discuss contractor negotiation, vendor relations and potential litigation matters, Dave Galloway seconded and the motion passed unanimously.

Upon concluding Executive Session discussions; ***MOTION: Ira Shepard moved to reconvene in regular session, Angela Mabon seconded, and motion passes unanimously.***

RECONVENE OPEN BOARD MEETING

Action taken upon conclusion of Executive Session:

- 1) See discussion under Business Item 1 – Fire Station Equipment Storage
- 2) See discussion under Business Item 3 – Bid and Contractor Discussion

ADJOURNMENT

With no further business, President Petersen adjourned the meeting. The meeting adjourned at 4:35 p.m.

Respectfully Submitted,

 /s/ Nancy Auseklis
Nancy Auseklis, SVEA Secretary

/cw

SUMMARY OF MOTIONS, DECISIONS & ACTION ITEMS

Motion or Decision	Page #
Motion to approve the March, April and May 2016 Financial Reports	2
Motion to amend ADC Manual section 4.3.6 Notification, Adopt Notice to Neighbor Form C-1 and Proposed changes to Minor Project Application.	3
Motion to approve the continued planning and review of possible modification of the tennis program.	3
Motion to approve Ad Hoc Water Committee as a permanent SVEA Committee	5
Motion In and Out of Executive Session.	5

ACTION ITEMS	
Who	Does What
Chuck/Sue	Contact City on additional information required by Board for action on proposed trailer screening
Chuck/Sue	Make approved changes to ADC Guidelines 4.3.6 Notification, Implement the use of form C-1, and make wording changes to Minor Alteration Application.
Chuck	Continue Tennis Operations Analysis
Chuck/Sue	Eblast – Water Rates, Water Restrictions, Future Capital Planning, Communications Survey, BOR Grant Results,