

**SUN VALLEY ELKHORN ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
Friday, January 4, 2019
Minutes**

AGENDA BUSINESS ITEMS

1. Review and Approve Financial Reports – <i>September, October & November 2018</i>
2. Review and Approve 2017/18 Audit
3. Consider 2018/19 Audit Engagement Letter
4. Consider Appointment of ADC Member – Steve Cook; Ned Hamlin; Craig Lawrence; Mark Pynn.
5. Rezoning Open Space – Sunrise Park – Status; Hunting on SVEA Open Space - Discussion
6. Bike Path Easement Agreement Amendment – Request by City
7. Annual Meeting Assignments

IN ATTENDANCE

Board Members	Staff, Counsel & Others
Dave Galloway, President	Jim Laski, Legal Counsel
Jim Monger, Vice President	Chuck Williamson, Staff
Nancy Auseklis, Secretary	Darlene Kuehn, Staff
Karen Curry, Treasurer	Sue Ahern, Staff
Harry Griffith, Director	Jon White, Staff
Grady Burnett, Director	
Laurie Fitzpatrick, Director	Owners and Others:
Anita Northwood, Director	See Attached Listing
NOT PRESENT:	
Peter Jarvis - Director	

CALL TO ORDER

President, Dave Galloway, called the meeting to order at 2:03 p.m.

ESTABLISHMENT OF A QUORUM

A quorum was established with eight (8) Directors in attendance. Peter Jarvis was unavailable due to death in the family.

REPORT FROM SUN VALLEY MAYOR

Sun Valley Mayor Peter Hendricks was in attendance reporting on the following:

- The Mayor reported on the issues associated with the road construction during the summer months and the problems attributable to the lack of contractor availability. Having received only one bid for the 2018 road and pathway projects, the Cities ability to negotiate and establish performance standards was hampered. The City budgeted 2.2 million for road work in 2018; however, actual cost amounted to 1.8 million. The City has consolidated years 2 and 3 infrastructure work to create a larger and more enticing competitive bid package. The City expects the 7.5 million project package will stimulate additional contractor interest in 2019. Many of the roads in Elkhorn will be under construction in 2019 and significant inconvenience is anticipated. The City will establish a communication plan which includes a “within 24 hour” response to questions from City representatives. A map of 2019 planned construction in Elkhorn will be available online. SVEA will be provided weekly updates for owner eblasts and communications.
- Joint emergency services will be a primary focus of the City in 2019. The City of Sun Valley is currently in negotiations with Ketchum and the Rural Fire District to consolidate fire response services. Police services would be combined with Ketchum for realized efficiencies.

- The City recently passed an amendment to Ordinance 528 allowing for E-bike usage on multi-use paths throughout the City. In addition, the ordinance amendment establishes a 20 MPH maximum speed limit on all pathways.
- The Mayor reported that Idaho Power has been very responsive to City concerns. He stated that eventually the transmission lines along Juniper Road in Twin Creeks could be repositioned or undergrounded; however, it will be a very long time before this actually occurs. The majority of the issues and construction delays experienced last summer resulted from the internet providers rather than Idaho Power.
- The City is moving ahead with minor capital projects for aesthetic improvement to City Hall.
- Dan Hollis was recently appointed to Planning & Zoning.
- Concern over hunting on SVEA land was raised by those owners present. Owners expressed concern regarding an incident on SVEA land adjacent to the Sunrise Subdivision. Hunters harvested an Elk on BLM land and then dragged the animal onto SVEA's property within the City limits to clean. The remains left behind attracted coyotes bringing these predators close to homes in Sunrise. When police were contacted at the time of the incident, no action was taken. The Mayor stated he would look into the matter; however, he was not aware of any specific ordinance outside a general nuisance which might be applicable in this instance.
- Mayor Hendricks reported receiving a complaint on the dog waste bag dispenser located at the Twin Creeks bus shelter. Dave Galloway stated the matter was scheduled for discussion under other business during this meeting.

OWNERS ADDRESSING THE BOARD

None

APPROVAL OF FINANCIAL REPORTS

The financial statements for September, October and November 2018 were provided to all Board Members prior to the meeting.

MOTION: Jim Monger moved to approve the financial reports as submitted, Karen Curry seconded, and the motion passed unanimously.

BUSINESS

1. Review and Approve the 2017/18 Audit

Chuck Williamson reported that the 2017/18 audit was submitted to the Chair of the Governance Committee, Jim Monger, to review and validate that proper audit procedures were followed in accordance with the Master Declarations requirements. Jim reported that he has reviewed the audit as prepared by Scott Hunsaker of Mahlke, Hunsaker and Company and is satisfied that proper accounting procedures have been followed. Treasurer, Karen Curry, confirmed that the audit reflects an accurate accounting of Association revenues and expenses for 2017/18. Karen thanked staff for their financial due diligence in 2017/18.

MOTION: Jim Monger moved to approve the 2017/18 financial audit prepared by Scott Hunsaker of Mahlke, Hunsaker and Company, PLLC, Karen seconded, and motion passed unanimously.

2. Consider Engagement Letter for 2018/19 Audit

Chuck Williamson stated it is staff's recommendation to continue with Mahkle, Hunsaker and Company for the 2018/19 audit as they have worked well with staff and have been very thorough in their audit procedures. Scott Hunsaker has always provided sound advice with regard to staff accounting procedures. In 2017/18, Mr. Hunsaker provided recommendation on the reporting of Treasury purchases for improved Board transparency. No increase in the cost of auditing services has been requested. The annual expense would remain \$6,500 for 2018/19.

MOTION: Anita Northwood moved to approve the auditor engagement letter from Mahkle, Hunsaker and Company at a total cost of \$6,500 for the 2018/19 audit, Nancy Auseklis seconded, and motion passed unanimously.

3. Consider Appointment of ADC Members

Chuck reported that each year the Board votes on the reappointment or replacement of ADC members. Chuck reported that Chase Gouley has removed his name from consideration. Staff is recommending the reappointment of architects Steve Cook, Ned Hamlin, Craig Lawrence and Mark Pynn for an additional three (3) year term on the Architectural Design Committee.

MOTION: Grady Burnett moved to approve Architects Steve Cook, Ned Hamlin, Craig Lawrence and Mark Pynn as qualified professionals to serve a three (3) year position on the Architectural Design Committee, Jim Monger seconded, and the motion passed unanimously.

4. Open Space

a. Sunrise Park Rezone Status

Chuck Williamson reported that Board members Dave Galloway and Jim Monger met with Sunrise Owners in late November to discuss the continuation of landscaping services provided by SVEA for the Sunrise Park. Approximately fifteen Sunrise property owners attended the meeting. During that meeting, Dave Galloway explained to the Sunrise owners that SVEA has concerns maintaining the property in a non-conforming manner under the current zoning. The Sunrise owners present during that meeting expressed that if SVEA has no plans for any changes on park usage then maintaining the property as it has been for the past 30+ years under a pre-existing condition would have no detrimental impact on SVEA members. Many of the Sunrise owners view this area no differently than other areas in Elkhorn where the primary beneficiary may be the adjacent property owner. Dave Galloway explained that the Sunrise owners requested that SVEA pursue two alternatives to permanently designate the area for park usage. The first option would be to request that the City consider voting on SVEA's previous rezone application. The second option would be to obtain a conditional use permit. The Sunrise owners expressed they would support SVEA's efforts to achieve a permanent park status. SVEA did contact the City as requested. The City's response as relayed by Community Development Director, Bryce Ternet, is that the City is not willing to consider either alternative at this time. Bryce issued a written statement that the City believes his correspondence in response to SVEA attorney, Jim Laski, letter of clarification sufficiently documents that the City will allow SVEA to continue its non-conforming use of the park area in Sunrise. As long as SVEA continues to maintain the property we will be allowed to continue using the area under a pre-existing condition. Staff recommended that SVEA continue to maintain the Sunrise park parcel until such time as the membership or Board determines an alternate use requiring a rezone is necessary. Anita Northwood expressed that a significant concern to Board members was the cost associated with maintaining the park. Anita suggested that if the Board agrees to maintain the park going forward that maintenance cost and water use efficiencies be reviewed and implemented. Those present agreed and pursuant to discussion;

MOTION: Grady Burnett moved to approve the continued landscape maintenance of the Sunrise Park for the benefit of the entire membership in as economical manner as possible, Jim Monger seconded, and the motion passed unanimously.

b. Hunting on SVEA Open Space

Dave Galloway stated that this matter was covered previously and that the Mayor has agreed to look into the matter. Dave expressed that while the field dressing of the animal occurred on SVEA land it is within the City limits where action by the City may be more effective than any means of enforcement available to SVEA. Dave stated that staff will keep owners informed on any response from the City.

5. Bike Path Easement Agreement

Chuck explained that with the passing of the amendment to Ordinance 528 allowing for the use of E-Bikes on the City multi-use paths, SVEA easement agreements need to be reworded to conform with the newly amended ordinance. SVEA has granted the City of Sun Valley easements across several portions of SVEA

common land in Elkhorn. The easements include non-motorized vehicle wording which does not allow for e-bikes as approved under the City Ordinance amendment. Chuck stated that Jim Laski was asked to review the proposed easement amendment language submitted by City attorney, Matthew Johnson, for Board approval which would bring the easements into compliance with the City ordinance amendment. Jim Laski explained that he is concerned the proposed easement amendment does not indemnify SVEA from liability resulting from e-bike usage on the multi-use paths on SVEA land. The Board directed that staff work with legal counsel, Jim Laski, and prepare an easement amendment which addresses conformance and indemnity concerns for review and approval at the March meeting of the Board. Dave Galloway expressed that the minutes reflect that the SVEA Board supports the City's Ordinance modification efforts.

6. Annual Meeting Assignments (Review Slide Deck)

Staff provided the annual meeting PowerPoint presentation slides for Board review. Dave asked that the slides be modified so that the "2018 in review" report could be allocated to the various committee chairs and staff members directly associated with the specific areas of responsibility. Those present agreed. No other changes were proposed.

STAFF REPORT

The Staff Report distributed prior to all Directors prior to the meeting included the following:

Association Management Software Update – Over the winter months staff will update and enhance the following: 1) Enhance the reporting capabilities for the security module. 2) Reprogram so that "family members" display on our property owner page after their amenity cards expire. At this time, family members are removed from view when cards expire. 3) When original owners' cards are renewed under the same personal code they do not register as valid in the system. This was initially designed into the program thinking that older cards would be replaced when expired. We are asking this feature to be modified so owners can renew old cards without assigning a new personal code. 4) Hardware interface updates are also required as web browser advances disrupt functionality.

Harker Pool – Harker Pool has been winterized. The Salt Cells have been dismantled, cleaned and stored for winter. All pool furniture was stored in tarp shed. New dive stand and fiberglass Dura-flex board were ordered in November. New roller cart and summer covers were ordered and are being manufactured. Painting of the pool storage shed is scheduled for spring prior to opening for the summer season.

Village Pool - The Village hot tub winter hours are 3pm-10pm daily and is staffed with two-part time attendants. Combustion exhaust piping on one of the boilers was replaced in October due to deterioration. Two heat pumps were replaced. A hot water recirculation pump was replaced for instant hot water to shower areas. New shower wall and floor tile along with fixtures were installed in October. Exterior painting of the pool house is scheduled this spring prior to opening.

Common Areas/Open Space – Dog waste dispensers were installed in October next to Elkhorn bus stop shelters and are being monitored for usage.

Ponds/Waterways - The Village Pond is being aerated over the winter months to assist in trout survival. The Sonic Algae device and surface aerator were removed from the pond to prevent winter damage. These items will be re-installed in the spring.

Harker Park – Splash pad was winterized, and park umbrellas placed in storage. Volleyball, badminton and basketball nets were removed and stored for the winter.

Tennis Facilities - Pickle Ball – The Har-Tru clay courts have been winterized. The new float valves were removed for the winter season to prevent damage. Pickle Ball posts and nets were removed and stored. Demolition work on Village courts #1 and #2 has been completed. Fast Dry Courts of Florida has been scheduled for installation of the two new Har-Tru clay courts in the spring as weather permits. The Harker Tennis courts had continued play on 4 courts into mid-November. The Harker tennis shop was winterized and the exterior painting has been scheduled for spring prior to opening. Amenity access scanners were powered down and covered to prevent damage. George Stahlin, Owner of Evergreen Tennis, visited the

Village and Harker tennis locations on Dec 17th. Evergreen Tennis will be submitting a proposal for post tension concrete court options for both facilities. Renner sports is also expected to submit a bid for post tension concrete work.

ADC & General Restrictions Compliance Report included new and current construction projects and report on violations processed over the last quarter.

Operational & Capital Overview

As of December 20, 2018

1. There are 7 accounts that are 90 days or more delinquent totaling 15,298.
 - a. Liens have been filed on all accounts.
2. The Operational Account cash and investments balance totals \$607,605
3. The Capital Account cash and investments balance totals \$1,169,082

Current SVEA investment providers:

- 1) Treasury Direct – Combined balance \$908,173 with interest earnings from 1.24% to 2.67%. Face Value of Treasury Bills \$930,000. Total Interest to be paid from current Treasury Investments \$21,827. Average Interest Rate = $\$21,827/\$908,173 = 2.40\%$
- 2) Bank of the West – two 4-year CD's – \$212,000 @ 1.49% – Matures 9-2-2019
- 3) Washington Federal –
 1. 3-year CD \$111,903 @ 1.045% – Matures 6-03-2019
 2. 4-year CD \$142,307 @ 1.745% – Matures 6-03-2020

COMMITTEE REPORTS

1. **Finance/Long Range Planning Committee** ~ Nothing further to report beyond the audit approval. (See Above)
2. **Communications Committee** ~ Grady Burnett reported the Communications Committee did meet between Board meetings. The Committee approved a new owner's folder for use with new owner information packets. The Committee will be hiring a photographer to update the website images. In addition, the Committee is currently updating the owners survey for late spring or early summer distribution.
3. **Executive Committee** – No Report
4. **Governance Committee** - No Report
5. **Recreation Committee** - Recreation Committee Chair, Anita Northwood, reported the committee will be meeting to review and make recommendations to the Board on updated pool and hot tub rules and regulations. The 2019 summer programs will be confirmed as we get closer to the summer season.
6. **Sub Association Liaison Committee** – Chuck stated that he had participated in several Association annual meetings bringing the groups up to date on SVEA activities. Those presents during the Association meeting expressed appreciation for SVEA keeping them informed.
7. **Racquet Sports** – Nancy reported that courts 1 and 2 at the Village have been removed and are scheduled to be replaced with Har-Tru in the Spring of 2019. The Committee is scheduled to meet before the next Board meeting. The Committee will meet and finalize court layout and pro shop recommendations for phase 2 of the planned Village facility renovations. The Committee requested staff prepare a Village court design which includes 8 to 10 pickleball courts and a proshop with and without a living space option. Staff is currently pricing out the options

SUMMARY OF MOTIONS, DECISIONS & ACTION ITEMS

Motion or Decision	Page #
Motion to approve Financial Reports for Sept, October & November 2018	2
Motion to approve the 2017/18 Audit	2
Motion to approve Engagement Letter for 2019 Auditor at an expense of \$6,500	3
Motion to Approve Steve Cook, Ned Hamlin, Craig Lawrence and Mark Pynn to ADC	3
Motion to approve continuation of Sunrise Park Landscape Maintenance	3
Motion to Approve dividing Board Proxies proportionately among the candidates	6

ACTION ITEMS	
Who	Does What
Chuck	Keep Owners advised on City response to hunting concerns
Darlene	Post approved 2017/18 Audit to website.
Chuck	Return Signed Engagement Letter to Scott Hunsaker
Chuck/Jon/Darlene	Review cost efficiencies for Sunrise Park
Chuck	Work with Jim Laski on Bike Path Easements
Chuck	Send Letter to City/Mountain Rides – Request permission to install bag dispenser on bus shelter in Twin Creeks.
Chuck	Send Letter to City on New Elkhorn Hill Speed Limit - request school zone type solution.
Chuck/Darlene	Work with Jim Laski to notify owners that SVEA will be filing lawsuit for past due accounts.