

**SUN VALLEY ELKHORN ASSOCIATION  
BOARD OF DIRECTORS' MEETING MINUTES  
Friday, January 6, 2017 – 2:00 p.m.  
Harker Center**

**AGENDA BUSINESS ITEMS**

1. Review and Approve Financial Reports – <i>September, October, November 2016</i>
2. Review and Approve 2015/16 Audit Report
3. Audit Engagement Letter for 2016/17 Fiscal Year
4. Consider Appointment of ADC Members
5. Amendments to ADC Guidelines – Color Palette, Solar Panel Guidelines & Building Fees
6. Discuss Annual Meeting & Presidents Meeting

**IN ATTENDANCE**

<b>Board Members</b>	<b>Staff, Counsel &amp; Others</b>
Peter Petersen, President	Chuck Williamson
Ira Shepard, Vice President	Sue Ahern
Nancy Auseklis, Secretary	Jon White
Jim Monger, Treasurer	Darlene Kuehn
Harry Griffith, Director	Jim Laski – Legal Counsel
Jack Haase, Director	
Dave Galloway, Director	<b>Owners and Others:</b>
Anita Northwood, Director	Pam Bailey – Owner – 2775 Sunburst
	Dennis Tripp – Owner – 119 Syringa
	Al Stevenson – Owner – 108 Bluebell

**CALL TO ORDER**

President Peter Petersen called the meeting to order at 2:02 p.m.

**ESTABLISHMENT OF A QUORUM**

A quorum was established with 8 Board Members in attendance. Director Angela Mabon was unavailable.

**REPORT FROM SUN VALLEY MAYOR**

Sun Valley Mayor Peter Hendricks was in attendance reviewing accomplishments in 2016 and reporting on the following:

- Recent lawsuits, brought by former employee Hammer, have been adjudicated in the City's favor.
- City has hired new City Clerk, Nancy Flannigan.
- Fire Station remodel is nearing completion with punch list items remaining.
- Mayor Hendricks reported the City has sent a letter to Idaho Power in support of the redundant power line installation. Harry Griffith asked if the Mayor thought additional support from SVEA would be of benefit to the City. The Mayor suggested any correspondence be directed to the Idaho PUC.
- Bitterroot Road property owners were invited to citizens meeting to view \$720,000 roadway improvement plan.
- There was a 29% increase in LOT tax revenues in 2016 and the City carried forward 3.3 million operating revenues into 2017.
- The City has initiated the process of selling their condominium interest at Elkhorn Springs. The estimated selling price is \$450,000 per unit. The City owns two (2) condominiums in Elkhorn Springs. The actual sale will be delayed until March 2017. The sale will displace current City

employees in a limited local housing market. When asked about the plan for rent subsidy, the Mayor reported this will be reviewed by the committee recently formed to facilitate the sale.

- An operational auditor was hired to review City processes and procedures. The City is implementing suggested changes to avoid future issues as occurred recently involving the City Treasurer.
- Pete Petersen thanked Mayor Hendricks for his service and the cooperative atmosphere fostered between the City and SVEA since the Mayor has taken office.

## **OWNERS ADDRESSING THE BOARD**

**Pam Bailey, Owner Sunburst 2775**, thanked the Board for their dedication and service to SVEA.

**Dennis Tripp, Owner 119 Syringa**, thanked the Board and staff and their efforts over the last year to improve administrative processes in an effort to make owner interaction with SVEA more welcoming.

## **APPROVAL OF FINANCIAL REPORTS**

The financial statements for September, October and November 2016 had been provided to all Board Members prior to the meeting.

***MOTION: Ira Shepard moved to approve the financial reports as submitted, Jim Monger seconded and the motion passes unanimously.***

## **BUSINESS**

### **1. Review and Approve the 2015/16 Audit Prepared by Mahlke, Hunsaker & Company, CPA's**

The 2015/16 audit was completed and results posted on the website prior to the annual meeting. The audit was sent to Harry Griffith, chair of the Governance Committee, for inspection and review. Harry reported the audit raised or identified no issues of concern.

***MOTION: Jim Monger moved to approve the 2015/16 audit report, Nancy Auseklis seconded, and the motion passes unanimously.***

### **2. Consider Audit Engagement Letter for 2016/17**

Staff recommended the Board consider and approve the engagement of Mahlke, Hunsaker & Company to perform the 2016/17 audit. The current audit expense of \$6,250, maintained over the past two years, will not be increased for 2016/17. The 2016/17 audit will represent the fifth year auditing services have been provided by Mahlke, Hunsaker and Company.

***MOTION: Jack Haase moved to approve entering into an engagement with Mahlke Hunsaker & Company for the preparation of the 2016/17 audit and tax returns for the fee of \$6,250, Dave Galloway seconded, and motion passes unanimously.***

### **3. Consider Appointment of ADC Members**

Section 8.01 of the Master Declaration allows the Board to appoint up to fifteen voting ADC members for three-year terms, with potential reappointment serving a maximum of six consecutive years. Staff recommended the consideration and approval of the following ADC members to serve on the ADC Committee for a three year term:

Mark Corney, Architect

Kurt Eggers, Landscape Architect

Lynn Boehemohle – Elkhorn Owner – Served 3 Years - Reappointment

Maureen Coyle – Elkhorn Owner – Served 3 Years - Reappointment

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**MOTION: Jim Monger moved to approve the appointment of Mark Corney and Kurt Eggers and to reappoint Lynn Boehmohle and Maureen Coyle to the ADC for a three-year term, Nancy Auseklis seconded, and motion passes unanimously.**

#### **4. ADC Guideline Amendments**

**a. Standardized Color Palette:** Sue Ahern, ADC Manager, reported that given the complexity of standardizing color choices due to hundreds of variation possibilities in tones and pigments, an overwhelming majority of ADC Members believed that a standardized color palette should not be utilized. The Committee members appreciate the color approval flexibility and believe each home should be assessed individually in terms of design and neighborhood compatibility. Some ADC members did express additional wording such as “earth tones” in the ADC Guidelines Section 3.5.2 could help provide additional guidance for the owners. Staff recommended the following amendment to section 3.5.2 of the ADC Guidelines:

*3.5.2 Exterior Wall Color. Exterior wall colors should harmonize with the site and surrounding buildings and in general be of an earth tone color.”*

Board members suggested that earth tones colors be clarified to mean browns, tans, beige, grays, etc. Board members recommended a definition of “earth tone” be provided as a supplement to the guidelines.

**MOTION: Jack Haase moved to approve amending the Architectural Guidelines Section 3.5.2 to include the addition of “and in general be of an earth tone color”, Anita Northwood seconded, and motion passes unanimously.**

**b. Solar Panel Installation Administrative Approval Amendment:** Sue Ahern reported that pursuant to Board directive to expand the administrative authority of staff with regard to solar panel installation applications, Staff is recommending the following changes to ADC Schedule G, SVEA Solar Panel Installation Guidelines:

#### **ADC Schedule G SVEA Solar Panel Installation Guidelines**

Sun Valley Elkhorn Association acknowledges the owner desire to utilize solar panel technologies for production of solar electricity and solar heating of water as a sustainable alternative to non-renewable energy sources. However, the aesthetics of the components associated with these systems must be carefully considered to ensure they are visually integrated within the architecture of the residence. Solar panel installation requests may be approved or denied based on aesthetic considerations and neighborhood compatibility at the discretion of the Architectural Design Committee (ADC). General requirements for solar panel installations are as follows:

- ADC approval is required for all solar panels installations, including photovoltaic (PV) for solar production of electricity and thermal panels for solar heating of water.
- ~~Solar panel installations considered for administrative approval shall be limited to roof mounted systems where panels are installed parallel to the roof plane and projecting a maximum of six (6) inches above the surface and at least twelve (12) inches below any ridge line. All other types of solar panel installation applications must be approved by the ADC committee.~~
- Solar panel installations considered for administrative approval shall be at the discretion of the ADC Manager. Suggested installation parameters are roof mounted systems where panels are installed parallel to the roof plane and projecting a maximum of six (6) inches above the surface and at least twelve (12) inches below any ridge line. Panels will have an anti-reflective coating.
- All neighbors within 100 feet of the property corners will be notified of the application for the solar panel installation.

- All submittals will include a completed ADC [Minor Project Application](#) and a proposal for installation from a certified licensed installer. The proposal will include specific installation information with schematics detailing the location of panels on the roof, the location of the panels in relation to the pitch/plane of the roof, size of the panels, total number of panels and color [and a cut sheet of the panels to be installed](#). Drawings to include location and detail of auxiliary equipment which is externally visible.
- The applicant shall provide a review approval letter, for all (PV) photo voltaic panel installations, from Idaho Power. Approval letter not required for thermal panel installations.
- The applicant shall provide written approval from the sub-association, where applicable.
- Any landscape alterations associated with the solar panel installation must be approved administratively or by the ADC as may be required. A complete description and diagram of any proposed landscape alterations must be included with the application. Landscape alteration plans will be included in the notice to neighbors.
- The administrative approval fee of \$100 must be included with the application.
- The application will not be considered for approval until all portions of the submittal package have been received.
- Applicant shall contact the City of Sun Valley for inquiry into necessary approval or permitting processes required.
- [Upon project completion, the applicant shall provide SVEA a photo of the final electrical inspection tag attached to meter by Idaho Power prior to SVEA final inspection.](#)

All solar panel [installations may be eligible for administrative approval](#) at the discretion of the ADC Manager. If the solar panel installation project, [for any reason in the opinion of the ADC Manager](#), does not qualify for administrative approval a complete ADC review shall be required. Fees required for full ADC review shall apply.

Harry Griffith recommended the final inspection requirement to provide a photo submission (*indicated in the last bullet point*) of the inspection tag be deleted as Idaho Power will not permit connection to the electrical grid without their final inspection. SVEA's final inspection requirement is overreaching and serves no constructive purpose. Those present agreed. With no further corrections or additions;

**[MOTION: Jack Haase moved to approve Architectural Guidelines Schedule G – SVEA Solar Panel Installation Guidelines as amended and including the deletion of final inspection requirement, Dave Galloway seconded, and motion passes unanimously.](#)**

**c. Sun Valley City Building Permit Fee Structure Report:** Those present received a full report on the City of Sun Valley building permit and construction fee methodology prior to the meeting. Sue reported the City is currently in the process of reviewing their building permit fee schedules and practices. Given the timely nature of the City's review, Board members directed staff to open a dialog with the City and investigate the possibility of a less cumbersome all-inclusive approach currently in use by the City. Fees on general maintenance projects, i.e. deck repairs, roof replacement and tree removal, appear superficially as counterproductive, punitive and in place only as a means of generating revenue. The Board members expressed a desire to better understand the basis on which the fee schedule is derived and to represent the SVEA owners if fees are deemed inappropriate.

## 5. Presidents' Meeting and Annual Meeting Assignments (Review Slide Deck)

The Board reviewed materials to be presented at the Annual Membership Meeting as prepared by staff. Board members were given reporting assignments based on their respective Committee responsibilities. The slide deck package was reviewed and modification made to the capital reserve projection slide and the order of items on the 2016 in Review slide. Jim Monger was assigned to give the yearend financial report. Jim Laski was appointed Inspector of Elections and will report on processes and voting results at the membership meeting. Pete Petersen agreed to attend the Associations President's meeting to update participants on SVEA activities.

### STAFF REPORT

The Staff Report distributed prior to the meeting included:

- An update on Blaine County's position regarding ownership of Elkhorn Village Subdivision (Twin Creeks) open space areas and the current tax lien was presented. At this time, no action has been taken by the County to correct the quitclaim deed issues.
- Association Management software update was reported on by the General Manager. Chuck explained the software is in full use and provides increased efficiency in owner database management, amenity management, facilities access and reporting. Rental agents have been granted access to amenity card printing capabilities. SVEA can monitor amenity pass distribution and report on individual property activity. Additional updates contemplated include enhanced guest communications and advanced report generation.
- 2017 Insurance Coverage has been secured in compliance with the governing documents.
- Amenities Report included an update on winterization processes completed for Tennis, Park and Harker Pool operations. The Village hot tub is open. Program development and trail maintenance plans will commence over the winter months.
- ADC & General Restrictions Compliance Report included new and current construction projects and report on violations processed over the last quarter.
- Dues Collections Report indicated there are currently 3 properties in arrears at this time.

### COMMITTEE REPORTS

1. Capital Improvements/Long Range Planning Committee ~ No Report; no meeting held.
2. Communications Committee ~ Chuck reported that staff continues to receive the communications questionnaire. To date, SVEA has received over 600 questionnaire responses. The purpose of the survey is to better direct owner communications and provide the owners the information they want to receive. Currently, SVEA has 85% email coverage of all Elkhorn properties and staff is striving to retain the emails through better communication methods and eliminate dropout requests.
3. Executive Committee ~ No Report; no meeting held.
4. Finance Committee ~ Activity was addressed under discussion of budgets.
5. Governance Committee ~ No report; no meetings held.
6. Recreation Committee ~ Chuck reported that plans to implement pickleball on court 4 of the Village tennis facilities are moving forward. Finalized pricing has been received for sound mitigation fencing material and staff is soliciting bids to install permanent nets and surface coating.
7. Sub Associations Liaison Committee ~ No Report; no meeting held.
8. Tennis ~ Nancy reported on meetings held and the selection of a new tennis operator for 2017. A "Meet and Greet" event will be held in May for owners to meet the new tennis operator and learn about the program for the upcoming tennis season. Al Stevenson, tennis committee member, expressed his appreciation on the amount of research as well as capital and operational planning carried out by the Board and staff to ensure the future of tennis in Elkhorn.
9. Water Committee ~ No Report; no meeting held.



**SUMMARY OF MOTIONS, DECISIONS & ACTION ITEMS**

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Motion to approve Financial Reports for September, October & November 2016	2
Motion to approve 2015/16 Audit by Mulhke, Hunsaker and Company CPA's	2
Motion to engage Muhlke, Hunsaker and Company CPA's for 2016/17 Audit	2
Motion to appoint Marc Corney, Kurt Eggers, Lynn Bochemole & Maureen Coyle to ADC for 3 Year Term	3
Motion to Amend Architectural Guidelines Section 3.5.2 to include "and in general be of an earth tone color."	3
Motion to approve Amended Architectural Guidelines Schedule G – SVEA Solar Panel Installation Guidelines	4
Motion to approve Idaho Power Redundant Power Line Letter of Support by SVEA Board	6
Motion to approve Equal Distribution of 87 Board Votes for the 2017 Board Candidates	6

<b>ACTION ITEMS</b>	
<b>Who</b>	<b>Does What</b>
Chuck	Inform Muhlke, Hunsaker of 2016/17 audit engagement approval
Chuck/Darlene	Update ADC Guidelines 3.5.2 – Post to Website
Chuck	Update Schedule G – Solar Panel Installation Guidelines
Chuck/Sue	Reach out to City and discuss building permit fee structure
Chuck	Write letter of support to Idaho PUC for Idaho Power Redundant Power Line
Chuck	Reach out to Realtors regarding MLS listing issues for Elkhorn properties
Dave Galloway	Investigate bus schedule enhancements for Elkhorn bus services