

**SUN VALLEY ELKHORN ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, March 21, 2019
Minutes**

AGENDA BUSINESS ITEMS

1. Review and Approve Financial Reports – <i>December, January & February - 2018/19</i>
2. Bike Path Easement Agreement – City of Sun Valley
3. Owner Survey Approval
4. Village and Harker Center Tennis Court Renovation Plan – Discussion Only

IN ATTENDANCE

Board Members	Staff, Counsel & Others
Dave Galloway, President	Jim Laski, Legal Counsel
Jim Monger, Vice President	Chuck Williamson, Staff
Anita Northwood, Secretary	Darlene Kuehn, Staff
Karen Curry, Treasurer	Sue Ahern, Staff
Peter Jarvis, Director	Jon White, Staff
Grady Burnett, Director	
Laurie Fitzpatrick, Director	Owners and Others:
Clark Furlow, Director	See Attached Listing
Bob Diercks, Director	
NOT PRESENT: None	

CALL TO ORDER

President, Dave Galloway, called the meeting to order at 2:00 p.m.

ESTABLISHMENT OF A QUORUM

A quorum was established with all Directors in attendance.

REPORT FROM SUN VALLEY MAYOR

The Mayor was not available due to prior commitment.

REPORT FROM MOUNTAIN RIDES DIRECTOR

Mountain Rides Executive Director, Wally Morgus, and Community Director Kim MacPherson were in attendance to report on bus services. Wally reported that ridership had increased year over year while nationally trends have taken a downturn. Resort bus routes accounted for 89,000 of the total riders. The Red Route primarily used by Elkhorn residents had 13,500 which was up 2600 riders year over year. Financially Mountain Rides is on budget; however, payroll is trending about 1% over budget in 2019. Customer satisfaction remains very high at an approximate 95% approval rating. Wally reported that Mountain Rides will continue the Blue and Red Bus routes in the summer in addition to special services from Dollar Mountain during the summer symphony. The Red route service will be discontinued for the winter season when the River Run access is closed to skiing. The Blue route will continue to operate on a modified spring schedule. Mr. Morgus reported that the 2020 budget and funds request will be presented to the Sun Valley City Council on June 6. Any increase proposed from the prior year's budget is primarily an effort to accumulate capital funding for equipment replacement.

OWNERS ADDRESSING THE BOARD

Jim Lake – 102 Lupine – Pet Waste: Mr. Lake expressed his concerns about the amount of pet waste in the Twin Creeks area and requested the Board consider installing more pet waste disposal areas. He suggested pet waste disposal containers at all bus stops.

Linda Peterson – 112 Mayleaf – Pet Waste: Ms. Petersen raised concern about pet waste and suggested an “Adopt a Block” program.

Joe Goodfield – 106 Dandelion East – Pets at Large: Mr. Goodfield reported on his encounter with aggressive dogs within the Sagehill association. Mr. Goodfield filed a police report; however, he would like Board consideration for stricter community wide enforcement of pets off leash.

Dave Galloway suggested that in response to pet waste and leash control concerns that staff reach out to the Sun Valley Police Department. SVEA needs to have a better understanding of the roles and responsibility of the City in response to the owner’s concerns. SVEA has attempted to assist in resolving the pet waste problem by installing bag dispensers at all bus shelter locations. Sue Ahern mentioned that SVEA has been using the newsletter to let owners know that dogs at large are subject to fines as a Class A violation.

David Caldwell – 3 Aspen Lane – Pond Dredging: Mr. Caldwell reported that he has been in contact with the City of Sun Valley in search of a resolution for getting the ponds in Twin Creeks dredged for better flood control and health consideration. Mr. Caldwell expressed that the ponds are an amenity of the Association and should be properly maintained. He stated that he has approached the City for funding assistance, however, he knows that any assistance would be substantially less than half the total cost to dredge the ponds. Mr. Caldwell did not request any direct action by SVEA at this time.

Larry Gullickson – 7 Aspen Lane – Ponds: Mr. Gullickson was in attendance to support Mr. Caldwell in the request to have something done to improve the condition of the ponds. Mr. Gullickson stated that a health hazard exists with a mosquito problem around the ponds due to the shallow pond depth and low water flows which occur late in the summer. Mr. Gullickson expressed the ponds are an amenity like any other in Elkhorn and should be properly maintained.

Chuck Williamson reported that the current pond maintenance policy is to allow the ponds to fill in naturally and to clear willows as may be required to remove any impediment to water flow. In addition, the surface algae is removed annually to improve appearance. The cost for dredging pond number 1 on Lupine, adjacent to the Cannon residence, was estimated at \$45,000 approximately 6 to 8 years ago. Chuck stated the pond maintenance policies have been reviewed on multiple occasions; however, staff will provide the current Board with a pond maintenance history, updated dredging costs and research the ownership status with Blaine County. The County recorder’s office verbally reported to Chuck that they have deeded the ponds to SVEA; however, the SVEA Board has never officially accepted the ponds and their respective liability.

Al Stevenson – 108 Bluebell – Ponds: Al reported that he was appointed to a pond task committee several years ago to resolve the pond ownership issue; however, nothing was ever done as the committee never officially met. Al recommended that the pond ownership be transferred to SVEA as soon as possible.

Margaret Walker – 327 Juniper – Ponds: Margaret reported that this matter was reviewed when she was on the Board and they actually walked along all the ponds and found that many access points were blocked by the adjacent property owners. Accessibility will need to be considered by the Board in addition to the dredging questions.

APPROVAL OF FINANCIAL REPORTS

The financial statements for December, January and February 2018/19 were provided to all Board Members prior to the meeting.

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

BUSINESS

1. Bike Path Easement Agreement

Legal Counsel, Jim Laski, reported that he has been working with the City attorney, Matt Johnson, however progress has been slow in reaching an acceptable agreement. Jim stated that he proposed language that

would hold SVEA harmless for any injuries along the bike path. Matt informed Jim the proposed language would not work for the City and that he would submit alternate language for Jim's consideration that would satisfy the SVEA requirements. Jim stated he is still waiting on the revised easement language from Mr. Johnson. Jim explained the easement information he received for review was for Elkhorn Springs and not SVEA. After discussion, Dave Galloway suggested that when Jim receives the appropriate documentation that the matter be turned over to the Executive Committee for final approval. All present agreed with this action.

2. Owner Amenity Survey – Chuck reported the Communication Committee approved sending a survey to all owners. The purpose of the survey would be to see if there have been any significant changes in the recreational interest of the owners and to learn more about the new owners who have purchased in the past 10 years. The last survey was done in 2010. The survey data received was used in the amenity master planning and capital improvement considerations. Communications chairperson, Grady Burnett, reported that the survey was reviewed thoroughly by the committee members. The committee believes the information will be useful in determining if the owners perceive that SVEA is heading in the right direction with its amenities and programs. In addition, questions were added to find out why owners are purchasing property in Elkhorn and the dependence on short term rentals when making their purchase decision.

MOTION: Bob Diercks moved to approve the distribution of the proposed owner survey, Jim Monger seconded, motion unanimously approved.

The survey will be initially sent to all owners for online response. Taking the survey online will reduce the overall time required to complete the survey. Many questions are skipped based on how the owners answer relevant questions.

3. Village and Harker Center Tennis Court Renovation Plans – Operations Manager, Jon White, presented a PowerPoint presentation (See Attached) outlining the proposed tennis facility renovations for the Village and Harker Center amenities. The Village court design proposed in 2015 was modified by the Racquet Sports Committee due to the popularity of pickleball. The committee proposed a revised court layout with 4 Har-Tru clay tennis courts and 8 pickleball courts. There are currently 7 pickleball courts, three permanent and four temporaries, in the Village which receive heavy play by owners and guests. In 2015, the initial plan was to install two pickleball courts. In addition, Jon explained that the tennis committee requested that staff review two options for the proposed Village tennis check-in facilities, with and without a residential component. The residential unit would be used to house the tennis professionals and reduce the housing expense during the summer season. Jon presented the proposed construction schedule:

Spring 2019: Install Har-Tru on courts 1 & 2 at the Village. *(Previously Approved by the Board.)*
Fall 2019: Demolition of Village Courts 3,4,7 & 8.
Fall 2019: Installation of post tension concrete Pickleball courts.
Spring 2020: Apply playing surface materials and fencing for Pickleball courts.
Spring 2020: Install Tennis check-in building – Zip Kit Modular Construction
Fall 2020: Demolition of Harker Tennis Facilities
Fall 2020: Installation of post tension concrete for 9 tennis courts
Spring 2021: Apply tennis court playing surface materials and fencing.

Jon explained the approved budget for the tennis facility renovations, estimated in 2015 with inflation, would total \$1,227,074 today. The Racquet Sports Committee revised renovation plan recommendation has been estimated at \$1,299,030. The estimate includes a discount on post tension concrete of 2.5% by combining the Village and Harker Center contracts and \$200,000 budgeted for a Village tennis check-in building with storage, restrooms and a residential component. Jon reported to those present that it would require a vote of the owners for the Village tennis building if the Board approves proceeding with the residential component.

Chuck explained that the Board of Directors would meet in executive session to review the bid information and discuss the recommendations of the tennis committee. Nothing would be finalized during this general meeting session and the information being presented is intended to keep the owners informed.

STAFF REPORT

Status of Items assigned to staff at the January 4, 2019 Board Meeting:

1. Dog Refuse Bag Dispenser – Blue Bell: Chuck explained at the previous meeting of the Board staff was directed to pursue the relocation of the pet waste bag dispenser near the Bluebell bus shelter. The adjacent property owner expressed aesthetic concerns. Staff submitted a revised right-of-way encroachment application and received approval to relocate the dispenser. The pet waste bag dispenser will be removed from the standalone post and attached directly to the bus shelter. The dispenser will be repositioned directly above the trash receptacle on the bus shelter structure. The current bag dispenser post will be removed, and the immediate area restored. This work will be done in the spring as weather permits.

2. Speed Limit on Elkhorn Hill near Dollar Mountain: Chuck reported that staff was directed to request consideration for increasing the vehicle speed limit near Dollar Mountain Lodge from the posted 15 MPH. In addition, request consideration for treating this area in a manner similar to that of a school zone where reduced speeds would apply only during Dollar Mountain hours of operation. A letter was sent to the City of Sun Valley outlining the requests of the Board. The speed limit has since been increased to 20MPH. Chuck stated City representatives have indicated the speed limit signs are seasonal.

3. Pool and Hot Tub Rules Reviewed: Chuck reported that the Recreation Committee had met and reviewed the pool and hot tub rules. The Committee is proposing that all rules currently in place remain “as is” with no changes. The use of floatation devices will not be allowed and the hot tub rules prohibiting use by children under 5 years of age will continue into the 2019 summer season. The Committee approved a redesign of the pool rules signage. The Recreation Committee requested that staff write a letter of explanation regarding the hot tub age restrictions. The letter will be distributed to owners who have questions regarding the limitations on children under 5 years of age.

Information provided in the staff report distributed prior to all Directors prior to the meeting included the following:

Harker Pool – New diving board and stand have been delivered to the Harker Center. The new diving board will be installed in May as weather permits. New summer covers and a roller storage cart have arrived and will be utilized this season. Exterior painting of storage building is scheduled in the spring.

Village Pool – The Village hot tub is now open 3pm -10pm daily and is staffed by two part-time attendants. Hot Tub winter seasonal usage as of (3/12/19) totals 4410 compared to 4206 in 2018. The bathhouse tile floor and carpets were professional cleaned in February. Floor tile grout was sealed during the cleaning process. Exterior painting of the bathhouse is scheduled for this spring.

Common Areas/Open Space Trails – Dog waste station bags are being monitored. Only two boxes of bags have been replaced since October; one at Ranch and one at Sagehill.

Ponds – The Village pond subsurface aerator continues to function properly producing oxygen for the existing fish population. The surface aerator will be installed in May/June and additional trout inserted prior to the annual kids fishing derby.

Harker Park – Closed for winter. All play equipment will be inspected for safety prior to officially opening for the summer season.

Tennis Facilities – Resort Sports, Scott Teller and Collin Fehr have finalized an agreement for the upcoming racquet sports season. A third pro will be joining Scott and Collin to teach the juniors program. The Har-Tru court installation proposal was finalized. Construction began with demolition in the fall of 2018. Installation of the Har-Tru courts is scheduled to begin in May as weather permits. Village post tension pickleball and Harker Center post tension tennis court rebuild proposals are

currently under review by the Tennis Committee. If approved by the Board, work would be scheduled to begin on the pickleball courts Sept 3rd, 2019 and completed by July 1st, 2020.

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

Dues Payments Overview

The Accounts Receivable balance is currently \$6,731

As of March 7, 2019, the number of owners over 120 days delinquent totaled 4 and the number of owners 90 - 120 days delinquent is 2. Two additional past due accounts have been collected, and the liens filed against those properties have been released.

Currently, there are 4 liens filed against Elkhorn properties at Blaine County Recorder's Office.

Operational & Capital Overview

As of February 28, 2019

Total YTD Assessments / Other Income is 1.5% (2.1K) over budget

Total YTD Expenses are 0.7 % (2.1K) under budget

The Capital Reserve asset replacement fund balance as of February 28, 2019 totaled \$1,211,758

The Operational Account cash and investments balance as of February 28, 2019 totaled \$489,523

COMMITTEE REPORTS

1. **Finance/Long Range Planning Committee** ~ No Report
2. **Communications Committee** ~ Grady Burnett reported the Communications Committee did meet between Board meetings. The Committee approved an agreement with professional photographer, Kat Cannell, to initiate updating the photo's on the SVEA website. Grady reported that the committee approved initiating routine eblasts on the road improvement projects being scheduled over the summer season. The Committee issued an Elkhorn area mountain lion warning and a reminder for pet owners to closely monitor pets in the common areas. The Committee finalized the survey for distribution to the membership upon final approval by the Board of Directors.
3. **Executive Committee** – No Report
4. **Governance Committee** – Jim Monger stated that the Committee will meet later in the year to discuss voting proxies signed over to the SVEA Board.
5. **Recreation Committee** - Sue Ahern reported the Committee will be meeting in the next few weeks to approve the programming schedule and approve the brochure for distribution to the membership.
6. **Sub Association Liaison Committee** – No Report
7. **Racquet Sports** – *(Discussed earlier in the meeting.)*
8. **Water Committee** – Bob Diercks stated that he and Clark Furlow had not yet had an opportunity to meet with Harry Griffith regarding the water committee. Bob Diercks reported he did meet

with Pat McMahon, Sun Valley Water & Sewer, to discuss water conservation in Elkhorn. Bob recommended posting the water conservation pamphlet in the administrative office for owner reference. Bob mentioned that Trout Unlimited was planning to enhance the fish migration with the installation of a fish ladder. More will be reported as plans develop.

OTHER BUSINESS

None

EXECUTIVE SESSION

Dave Galloway announced that the Board would be moving into Executive Session to discuss foreclosure on past due accounts, 2019 tennis contract approval and tennis renovation bid review;

Motion: Peter Jarvis moved to approve the Board going into Executive Session to discuss those matters as indicated on the Executive Session agenda, Jim Monger seconded, and motion was unanimously approved.

Motion: Peter Jarvis moved to approve returning to general session, Jim Monger seconded, and the motion passed unanimously.

Motions as a result of Executive Session:

Motion: Anita Northwood moved to approve that Jim Laski file suit against the Owners of Indian Springs 2441, and initiate foreclosure action on this past due account, Jim Monger seconded, and motion passed unanimously.

Motion: Peter Jarvis moved to approve the 2019 tennis contract with recommended addendums, Jim Monger seconded, and motion passed unanimously.

Motion: Karen Curry moved to approve the transfer of \$100,000 in operational surplus funds to the Capital Reserve for future replacement of assets, Peter Jarvis seconded, and motion passed unanimously.

Motion: Grady Burnett moved to approve an expense of up to \$10,000 to develop architectural plans for the Village Tennis building, secure bids and prepare for board review building options A and B as proposed by the Tennis Committee, Peter Jarvis seconded, and motion passed unanimously.

ADJOURNMENT

With no further business Dave Galloway adjourned the meeting at 5:20 p.m.

Respectfully Submitted,

/s/ Anita Northwood
Anita Northwood, Secretary

SUMMARY OF MOTIONS, DECISIONS & ACTION ITEMS

Motion or Decision	Page #
Motion to approve Financial Reports for December, January & February 2018/19	2
Motion to approve Owners Survey	3
Motion to approve In and Out of Executive Session	6
Motion to approve filing suit against Michael Petersen to Initiate Foreclosure	6
Motion to approve 2019 Tennis Contract Addendums	6
Motion to approve transferring \$100K Operational Surplus to Capital Account	6
Motion to approve \$10,000 for architectural plans and securing bids for Village Tennis Building Plans A & B	6

ACTION ITEMS	
Who	Does What
Chuck & Jon	Prepare for Board Review History of Ponds and Ownership Status
Chuck & Sue	Check with City about Dog Refuse and Dog at Large Procedures
Jon	Reposition Pet Waste Bag Dispenser – Blue Bell
Jon	Prepare new Signage for Pools and Hot Tub
Chuck & Jim Laski	Prepare Bike Path Easement Agreements for Exec. Committee Approval
Staff	Send Out Owners Survey
Chuck & Jim Laski	Prepare Suit against Michael Petersen - 2441
Chuck & Jon	Notify Reid, Scott & Collin on approved 2019 tennis contract addendums
Chuck & Darlene	Transfer \$100,000 from Operations to Capital Reserve
Chuck & Jon	Work with Zip Kits to Finalize plans for Options A & B
Chuck & Jon	Secure Bids for Board Review on Village Tennis Plans A & B
Chuck/Darlene	Continue work on Photo's for Website



Village and Harker Tennis Facilities Renovation Plans

2018-2021

PLANS

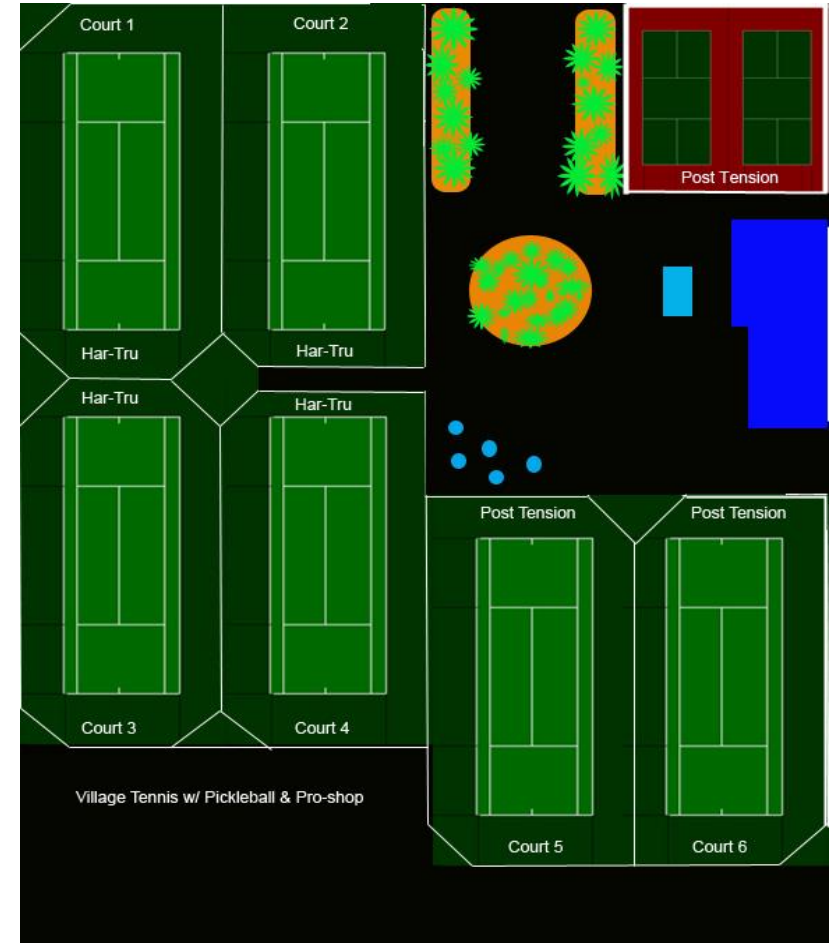
Original 2015 plan included:

- Addition of (2) Har-Tru Courts
- Addition of (2) Post Tension Pickle Ball Courts
- Addition of a Pro Shop w/Restroom/Storage
- Convert (2) Tennis Courts to Post Tension

Selected by Board in 2015/16

OPTION 6 – “REMOVE TWO COURTS, REBUILD WITH CLUBHOUSE AND ADD 2 PICKLEBALL” – Harker Center rebuild using post-tension or asphalt. Village add 2 Har-Tru courts, rebuild 2 courts using asphalt or post-tension concrete. Remove two courts and install a pro-shop and two pickleball courts.

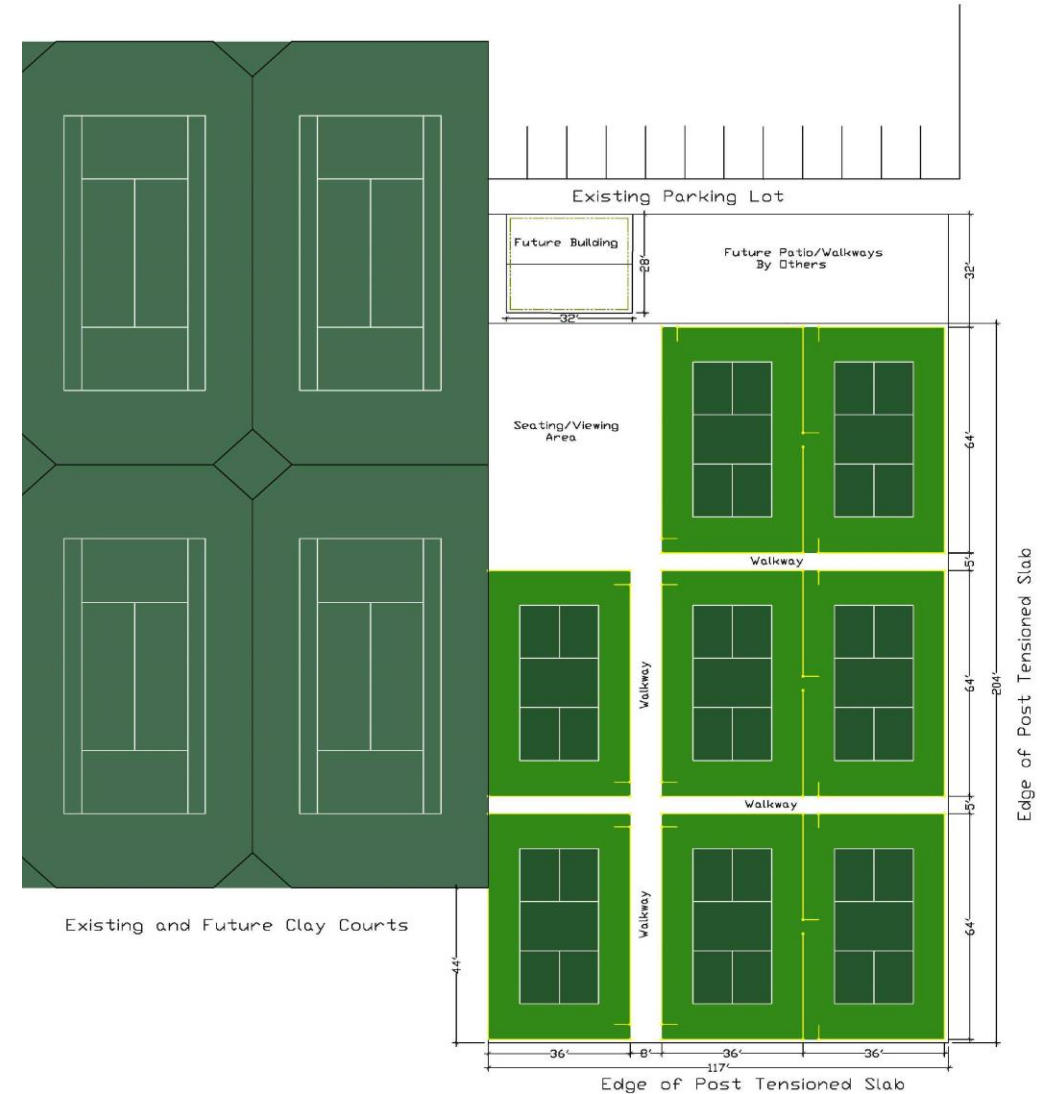
Total cost anticipated for this option:	<u>Post Tension</u>		<u>Asphalt</u>
Harker Court Rebuild:	\$495,000 P/T	or	\$360,000
Village – Hard Courts:	\$110,000 P/T	or	\$ 80,000
Village – Har-Tru:	\$130,000		\$130,000
Village – Pickleball:	\$ 30,000 P/T	or	\$ 20,000
Pro-Shop w/Storage	<u>\$250,000</u>		<u>\$250,000</u>
Totals	\$1,015,000	or	\$840,000



PLANS cont.

With the growing popularity of Pickle Ball nationally and among the owners, the Racquet Sports Committee is recommending:

- Add (2) Har-Tru Courts
- (8) Post Tension Pickle Ball Courts.
- Pro-Shop Building w/Restroom/Storage



Construction Schedule

		Facility Construction Schedule				
		Spring 2019	Fall 2019	Spring 2020	Fall 2020	Spring 2021
Village Har-Tru Court Conversion	By July 4th					
Village Pickle Ball Courts						
Demolition			Demo			
Concrete Pour			Concrete			
Court surface, Fencing, Sound panels				By July 1		
Village Pro Shop						
Demolition of Courtyard & Shop pad			Demo			
Water & Electrical			Utilities			
Footings & Concrete Floor Pad				Concrete pad		
Building Installation				Install		
Courtyard Pavers & Landscaping				Landscaping		
Harker Tennis Courts - Post Tension						
Demolition & Post Tension Pour					Pour Pads	
Court Resurfacing & Fencing						By July 1
Court Corridor Pavers						Pavers

Project Cost Analysis

2015 Village Budget w/4% inflation
\$687,227

2015 Harker Budget w/5% inflation
Full post tension rebuild of (9) tennis
courts
\$539,847

Total \$1,227,074



Project Cost Analysis...

The Racquet Sports Committee asked staff to research two Building options

- Pro-Shop Building

Modular - Without Residential

@ \$150 / sqft

\$150k installed

Modular - With Residential

@ \$150 / sqft

\$200k installed

Custom On-Site Construction 1 level

@ \$200-\$300/sqft

\$240k-360k

Project Cost Analysis - Summary

- 2015 Original Budget & Cost Projections w/ inflation

Village	\$687,227
Harker	\$539,847
Total	\$1,227,074

- 2019 Revised Plans and Updated Costs

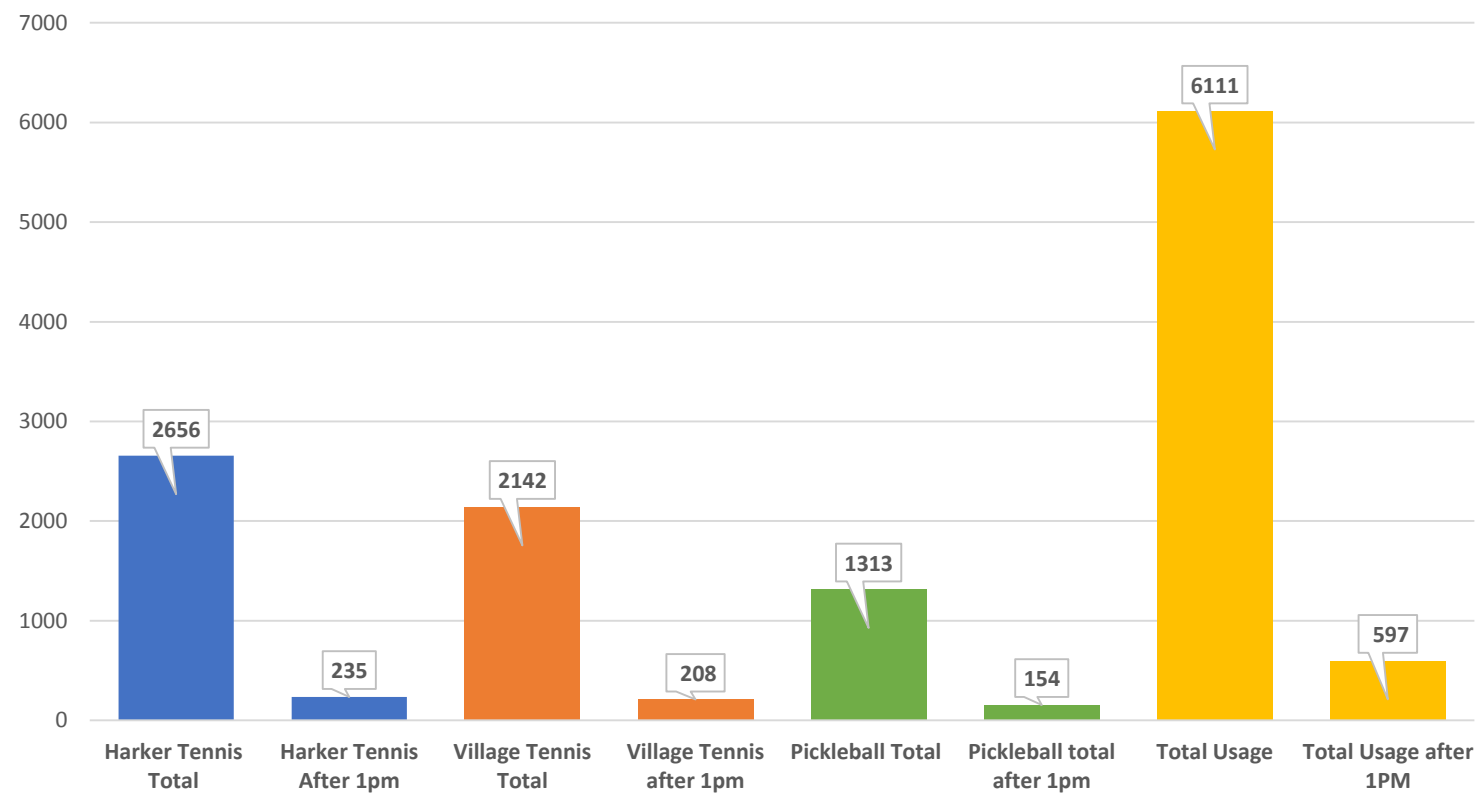
Village (2HarTru,8 PB,*ProShop,pavers,landscape,fees)	\$719,891
Harker (9 post tension courts, fencing, pavers)	\$598,730
Total	\$1,318,621

Potential Discount on post tension 2.5%

* Pro Shop residence included	\$1,299,030
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Tennis Pickle Ball Program Analysis

Racquet Sports Usage 2018





Sun Valley Elkhorn Association
March 21, 2019 Board Meeting
Elkhorn Owners & Guests Sign-in Sheet
(Please Print)

NAME	ELKHORN ADDRESS OR ACCOUNT #	EMAIL ADDRESS	TOPIC OF INTEREST
Dr. HRC. HARALD ^{WIEDENMAN} - LUDMILA	# 620	haraldw@live.com	MEETINGS
Jim Lake	102 Lupine	james.lake@cox.net	dog waste
Osse Skarpenflund	7 Black Birch		
Margaret Walker			
Al Huer	108 Bluebell		
Yvonne Pitterson	112 Mayleaf		dog waste
Lori Nure	Legends 4505		
JOE GOOMFIELD	106 DANDELION EAST		OFF LEASH DOGS
David Caldwell	3 Aspen Lane	dauidancinvestrealty.com	pond maintenance
Joan Wrede	4399 Fairway Nine Dr.	swrede@jwreagents.com	