

**SUN VALLEY ELKHORN ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
Friday, July 19, 2019
Minutes**

AGENDA BUSINESS ITEMS

1. Review and Approve Financial Reports – <i>March, April & May - 2019</i>
2. Appoint Board Member to fill Vacancy
3. Bike Path Easement Agreement – City of Sun Valley
4. Village/Harker Court Renovations - Status & Village Pro-shop Approval
5. Twin Creek Ponds – Report & Discussion

IN ATTENDANCE

Board Members	Staff, Counsel & Others
Dave Galloway, President	Jim Laski, Legal Counsel
Anita Northwood, Secretary	Chuck Williamson, Staff
Karen Curry, Treasurer	Darlene Kuehn, Staff
Bob Diercks, Director	Sue Ahern, Staff
Clark Furlow, Director	Jon White, Staff
Grady Burnett, Director	
Laurie Fitzpatrick, Director	Owners and Others:
Pete Petersen, Director	See Attached Listing
NOT PRESENT:	
Jim Monger	

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 seven (7) Directors in attendance.

REPORT FROM MAYOR HENDRICKS

Mayor Hendricks was present and reported on the following:

- City Administrator, Susan Robertson, is leaving on August 2nd. The City hopes to have a replacement named by the first of the year.
- Road and path construction on Juniper, Independence Creek and Parker Gulch and Horseshoe Road continues. The City has budgeted \$10,000,000 for roadwork and pathways in 2019.
- Capital improvements to City Hall and a roundabout at the City Hall intersection is under consideration.
- The City has set aside \$3.5 million for capital expenditures going forward.
- The City is working to resolve roadway ownership issues. Portions of Sun Valley Road are owned by Union Pacific Railroad.
- The City is implementing a forestry assessment. Concerns have been expressed about the number, size and location of trees and the present potential for fire loss in Sun Valley.
- The Ordinance allowing for E-Bikes on the multiuse bike path will be re-evaluated in October.
- Mountain Rides was fully funded this year with Sun Valley agreeing to the \$352,000 funding request.
- The City of Sun Valley has consolidated with the Rural Fire District to provide emergency services. The City of Sun Valley continues to monitor what Ketchum is planning for emergency services and consolidation may be reconsidered in the future.

OWNERS ADDRESSING THE BOARD

Peter Lockwood – Camp #1 – Crown Ranch: Mr. Lockwood submitted a letter objecting to the proposed Crown Ranch Phase IV development. Mr. Lockwood is seeking SVEA assistance to insure views are maintained from neighboring properties the Camp and Ranch Associations. Mr. Lockwood expressed concern that the proposed project is not compatible with hillside development.

Richard Barker – 4407 – Pickleball Noise – Mr. and Mrs. Barker wanted to express their concerns about the noise generated from Pickleball. They find the noise very annoying and interfering with their peaceful use and enjoyment of their Fairway Nine home. Bob Henley, 2802, expressed that the first year the noise was not an issue; however, with the growing popularity he would support their concerns. John Heard, 2830, stated he too shares the noise concerns expressed by the Barker's.

APPROVAL OF FINANCIAL REPORTS

The financial statements for March, April and May 2019 were provided to all Board Members prior to the meeting.

MOTION: Anita Northwood moved to approve the financial reports as submitted, Laurie Fitzpatrick seconded, and the motion passed unanimously.

BUSINESS

1. Appoint Board Member to Fill Vacancy – Dave Galloway explained that while it is a difficult task the Board is moving forward to fill the Board vacancy as a result of the sudden passing of Peter Jarvis. Dave reported that Pete Petersen reached out to see if he could be of assistance. Pete is well qualified having served on the Board previously and has stayed connected with the current issues in Elkhorn. After brief discussion, ***MOTION: Grady Burnett moved to approve the appointment of Pete Petersen to the SVEA Board of Directors to serve the remaining term of Peter Jarvis, Bob Diercks seconded, and motion was unanimously approved.*** Pete was in attendance and joined the Board for the remainder of the meeting.

2. Bike Path Easement Agreement

Legal Counsel, Jim Laski, reported that he had reached an agreement with the City of Sun Valley with regard to the bike path easement amendment. The amendment was necessary to conform with the City ordinance allowing use of motorized vehicle on the multiuse pathways throughout Sun Valley. The amendment is compatible with the ordinance and indemnifies SVEA from liability associated with all types of motorized and non-motorized bike path use across SVEA open space. After discussion, ***MOTION: Karen Curry moved to approve the amended Bike Path Easement Agreement prepared by legal counsel, Anita Northwood seconded, motion was unanimously approved.*** President, Dave Galloway, will sign the amendment on behalf of SVEA, those present agreed.

3. Twin Creek Ponds – Clark Furlow, Water Committee Co-chair, prepared and presented a report to the Board of Directors. Clark explained the following:

- ***Initial Goals*** – Clark Furlow and Bob Dierck expressed that initially it is important to determine SVEA duties and powers with regard to the ponds, and to review alternatives within SVEA's powers and duties to address the owner's concerns.
- ***Background*** – The five ponds along the remaining branch of Twin Creeks flows through a narrow Open Space Area behind several homes. They are referred to as ponds 1, 2, 3, 4 & 5. Initially, the Committee Chairs proceeded on the basis the ponds were man-made; however, Doug Clemens, formerly of Clemens and Associates, reported that he was hired by the Elkhorn developer to "muck out" or dredge the existing natural ponds. These ponds were not excavated or enlarged or created by the Elkhorn developer. Clark reported that this is an important distinction because SVEA duties to maintain natural ponds and man-made ponds are different.

- *Title Problems* – SVEA owns the Open Space in which ponds 3, 4 and 5 are located. Title to the land in which ponds 1 and 2 are located is clouded. In March 2005, the County purported to take the land by a tax deed. In January 2016, the County attempted to deed the land back; however, their deed attempt was not supported by consideration and did not correctly identify SVEA as the Grantee. Clark recommended the Board authorize Jim Laski to proceed with clearing the clouded title and take possession of the land containing ponds 1 and 2. ***MOTION: Clark moved to approve directing SVEA's legal counsel, Jim Laski, to take such steps as may be required to remove the cloud and vest SVEA with clear title to the Open Space Area containing ponds 1 and 2, Bob Diercks seconded, and motion was unanimously approved.***
- *SVEA Duties with Regard to the Ponds* – Clark explained the ponds are in an Open Space Area. The Master Declarations states that Open Space Areas are to be maintained in a “natural, semi-natural, or landscaped state”; used for recreational purposes and be available for use by all SVEA members. If the ponds are natural SVEA has the duty to maintain in a “natural, semi-natural or landscaped state, and, “to the extent deemed advisable by the Board”. If the ponds are man-made, they could be deemed an “improvement”. Clark explained the Declarations define “improvement” as a “structure” and Webster define a structure as “something constructed”. If ponds are an improvement, then SVEA has the duty to “operate and maintain” all Open Space and to “keep all improvements... located thereon in good order and repair”.
- *History of Pond Maintenance* – Pursuant to the policy adopted by the Board in 2008, maintenance of the ponds has been limited to keeping the culverts and head gates in good order and repair; clearing the algae once each summer; and, trimming willows around ponds as required. This Board policy is consistent with SVEA's duties with respect to natural ponds.
- *Dredging* – Clark reported that SVEA was asked to investigate dredging the ponds. Bids for boom dredging, received from Joe's Backhoe, estimate the cost to be \$300,000 to \$500,000 depending on silt depth. Other costs associated with boom dredging could be \$150,000 to \$225,000 in addition to dredging for a total up to \$725,000. Golden Enviro submitted a conservative estimate for dredging totaling \$273,000 and with additional items, i.e. landscaping repairs, pond lining, etc. estimated by staff the cost is anticipated to be as much as \$310,000. Dredging would not be a one-time expense as it would most likely be required approximately every 15 years into the indefinite future.
- *Association Approval* – Clark explained that Paragraph M of Section 6.05 requires SVEA to obtain the affirmative vote of 51% of the owners voting at a meeting called for that purpose for “construction, improvement or additions” involving a total cost in excess of \$100,000. Advice from legal counsel was sought as to how to classify dredging of ponds for the first time since 1973. The consensus of the Committee Co-Chairs and Legal Counsel is that Paragraph M is intended to address large expenditures of money. The expenditure of \$300,000 would be re-construction rather than routine maintenance and that owner vote would be required.
- *Alternatives to Dredging* – Clark stated that alternatives under consideration include partially filling in and reincorporating the ponds into the water way of which they are a natural part, thus eliminating the need for future dredging. This alternative is estimated initially at a cost of \$188,000. This alternative would require a vote of the membership as the cost is in excess of \$100,000. If each pond is deemed a separate project and done in separate budgetary years, the cost would be less than \$100,000 per year and could possibly be done without a membership vote.
The ponds could be drained each winter similar to those commonly seen on golf courses; however, this option has not been fully reviewed.
And finally, SVEA could continue to follow the policy adopted by the Board in 2008.
- *Conclusion* – Clark and Bob recommends that the Board approve continuation of investigating the origin of the ponds and engage the services of a Hydrologist to examine the origin of the ponds, their role in the waterway, and advise as to the best and most cost effective resolutions of the issues raised by the owners. In addition, work with legal counsel to determine the current status of the water license validity.

Pursuant to discussion, ***MOTION: Clark moved to approve authorizing the Executive Committee, upon the request of the Water Committee, to approve the expenditure of up to \$10,000 to retain a hydrologist, Bob Diercks seconded, and motion was unanimously approved.***

Twin Creek Owner Comments:

Wendy Cannon – 204 Lupine - Displayed a video with active fish life in the pond next to their home and expressed the desire to dredge the ponds back to their original condition. She related how the ponds were, and continue to be, important to their neighborhood and family life.

David Caldwell – 3 Aspen Lane – Expressed how the ponds have filled in over the years exacerbating the flood concerns during high water years. He reiterated the health concerns expressed by Al Stevenson and stated time is of the essence in getting this matter resolved.

Al Stevenson – 106 & 108 Bluebell – Al expressed the mosquito issue is growing and with it the concerns related to disease and health issues. The lack of pond maintenance has a significant negative impact on property values. Initially, being located near a pond would add value to the property and now, due to the lack of maintenance, there is a negative impact on value. The ponds may be natural to some extent; however, there is obviously a man-made apparatus within the ponds with head gates and dams. Al stated he believes this matter is not an issue for owner vote but rather a matter of the Board setting aside capital funds that should have been set aside over the years to maintain the ponds. Going forward \$300,000 over 15 years equates to \$20,000 a year set aside to properly maintain the ponds. He encouraged the Board to take action and set aside funds for what has been a long-term Board neglected responsibility.

Tann Robrahn – #4 Mock Orange – Tann expressed the importance of the ponds for the area wildlife and supported the efforts of his neighbors to return the ponds to a healthy fish habitat.

Margaret Walker – 327 Juniper – Margaret requested that the Hydrologist perform an environmental study. She asked that something be done immediately about mosquitos.

Grady Burnett expressed his appreciation for the efforts of the Water Committee Chairpersons regarding this matter. He stated that the work done shows that the Board is listening to the concerns of the owners. The use of a hydrologist will aid the Board in better understanding the water flow and pond function in this area. He expressed that the Board is headed in a positive direction in resolving the concerns of the owners.

Dave Galloway expressed that pond maintenance and mosquito concerns are two separate issues; however, SVEA might be able to assist with some mosquito abatement measures. Dave encouraged owners to consider implementing their own precautionary measures since the source of mosquitos is not a known certainty and a problem throughout Elkhorn. Chuck reported that he had been in contact with the Blaine County and Twin Falls Health Departments. Chuck suggested the ponds could be treated, upon approval by the Board, at a low cost if the ponds are indeed a source or habitat which promotes mosquito hatch. Twin Falls Health Department suggested that a trapping program be used to determine the extent of the problem. As an interim precaution, SVEA can treat the ponds as part of this year's pond maintenance program. After discussion, ***MOTION: Anita moved to approve that SVEA treat the ponds to assist the owners in mosquito abatement, Karen Curry seconded, and motion was unanimously approved.***

4. Village and Harker Center Tennis Court Renovation Plans – Chuck reviewed the current status of the Village Racquet Facilities renovations. The Har-Tru courts were completed as scheduled and put into play prior to July 4th. A down payment on the pickleball court installation has been made to secure the contractor start date immediately after Labor Day. The pickleball courts will be closed to play after Labor Day and demolition will begin. The post-tension concrete for the new pickleball courts will be poured and allowed to cure over the winter months. The painting of the new pickleball courts will be done in the spring of 2020 as weather permits. Chuck explained that the Racquet Sports Committee requested consideration for two options on the proposed Village pro-shop. The options included a pro-shop with check-in, storage and restrooms with and without a residential component. Chuck explained that a pro-shop with a residential component would result in a budget overage and has since been eliminated with the assent of the Tennis Committee. The pro-shop proposed is a modular single level building with an estimated cost of \$166,000. A

pro-shop with a residential component was estimated at \$252,000. The total Village Racquet Facility may be slightly under budget at an estimated total cost of \$713,290. Concern about pickleball noise was raised by some in the audience. Chuck stated that \$36,000 has been budgeted for sound mitigation panels that will be positioned on three sides of the pickleball courts. The courts will be repositioned in a north south configuration. In addition, the post tension courts will be 3 feet smaller along the east and south sides of the courts where additional landscaping could be installed if required to assist in noise abatement. The north end of the courts will be reduced in size by approximately 20 feet providing space for additional sound mitigation measures if deemed necessary. Chuck reviewed the capital account cash flow and stated that after all renovations are complete at both the Village and Harker Center the capital cash reserve balance will be between \$184,000 and \$349,000 depending on the total of deferred items in the current capital budget.

The Harker Center Tennis Facilities renovation are scheduled to begin in the fall of 2020 and completed in the spring of 2021. The estimated cost of renovation for nine (9) post tension concrete tennis courts is \$598,000.

Owner Comments During Staff Renovation Report:

Gloria Brown – 406 Morningstar Road - Gloria expressed concern that SVEA was building a pickleball facility primarily for non-owner usage. In addition, she commented on the pricing structure and the very small differential between what the owners and guests pay for clinics and lessons. Chuck reported that the Racquet Sports Committee has asked staff to reach out to other associations and research what similar organizations are doing with regard to fee structures.

Al Stevenson – 106 & 108 Bluebell – Al reported that he is on the tennis committee and they have agreed to review the current program fee structure. Al expressed that it was important to maximize the return on an investment of 1.3 million in tennis and pickleball renovations and the Committee is investigating ways to achieve this goal. The need for good usage data is important for Committee discussions and determining what is required to sustain racquet sports moving forward.

Vote on Village Pro-shop – Chuck stated that in order to proceed staff was seeking Board authorization on the Village pro-shop buildout option. He explained that with either option, with or without a residential component, it will be necessary to obtain owner ratification of the Board decision. Both pro-shop options proposed are considered an improvement in excess of \$100,000. After discussion, ***MOTION: Clark moved to approve the replacement and relocation of the Village Racquet Sports check-in and storage building, as proposed by the Racquet Sport Committee, with the addition of restroom conveniences at a cost of approximately \$166,000, subject to ratification by the affirmative vote of the membership at the annual meeting, Karen Curry seconded, and motion was unanimously approved.***

STAFF REPORT

Dog Complaints: Chuck reported that he and Sue Ahern met with Mike Crawford and Walt Femling to discuss the complaints of loose dogs and failure of pet owners to clean up after pets along roadways in Parker Gulch, Independence Creek and Juniper Road. Staff was informed that the Police will respond to all dog complaints received from the residents. In addition, staff learned that individuals can issue citations if they choose to do so. Chuck explained that SVEA's enforcement process requires a warning notification, a violation board hearing, and a reasonable amount of time to cure the violation prior to fines issued on subsequent offenses. The SVEA enforcement process could take 30 to 60 days to resolve violation issues. The City citation process is an alternative available to Staff to streamline and quickly respond to owner dog complaints. Sue Ahern could issue citations on behalf of SVEA if the Board authorizes this method of enforcement for dog related complaints. Staff will request Board approval for allowing use of the City citation process if there is an increase in pet related complaints. No action was taken at this time.

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

Harker Pool – Tile repairs were completed around skimmers due to freezing and breaking during the winter. New dive stand and diving board were installed in May. The pool was opened on Memorial Day. A new pool cover roller and summer covers were purchased and are in use this season. The pool has developed a

significant leak, the daily addition of water rapidly dilutes the salt rendering the salt cells inoperable for producing chlorine. The pool was converted to chlorine pucks the first week of July. Staff expects the anticipated cost for chlorine pucks for the remainder of the season will be half the cost of salt. Further leak detection will be conducted in the fall. A crack in the kid pool filter occurred on July 5th. The kid pool was temporarily closed until a new filter was received and installed. Bathroom and shower exhaust fans were replaced.

Village Pool – Plaster repairs were completed in May. Four (4) new hydrostatic valves were installed in the deep end of the pool based on the recommendation of the leak detection service report last fall. With the new valve installation leaks have been reduced by 90%. The pool opened as scheduled on June 15th. The pool gutter may have a minor leak as the pool is still losing a small amount of water daily. The hot tub jet pump motor was replaced along with a seal on the circulation pump.

Common Areas/Open Space Trails

Trail maintenance has commenced and will continue through July. Fencing was repaired in open space corridors. Willow removal has been conducted in common area corridors near Paintbrush and Fireweed roads.

Village Pond

The sonic algae control unit was re-installed in May. The pond was re-stocked with trout for the annual fishing derby held on July 6th.

Harker Park – The patio pergola was power washed and stained. Picnic table legs will be re-painted before the Homeowners Picnic. All kids play equipment was inspected for safety prior to opening.

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 \$6,073. Darlene reported that some long-term delinquent owner accounts have been resolved through recent sale activities.

As of July 10, 2019, the number of owners over 120 days delinquent totaled 5 and the number of owners 90 - 120 days delinquent is 1.

Operational & Capital Overview

As of February 28, 2019

Total YTD Assessments / Other Income is 2% (12.4K) over budget

Total YTD Expenses are 3% (26K) under budget

The Capital Reserve asset replacement fund balance as of June 30, 2019 totaled \$1,053,774.

The Operational Account cash and investments balance as of June 30, 2019 totaled \$661,885.

COMMITTEE REPORTS

Finance/Long Range Planning Committee ~ The Committee will be meeting in August to prepare the Operational and Capital Budgets for fiscal year 2019/20.

Communications Committee ~ Grady Burnett reported the Communications Committee did not meet between Board meetings. The Committee continues to work with professional photographer, Kat Cannell, to update the photos on the SVEA website. Grady reported that staff initiated routine eblasts on the road improvement projects and summer events. The Committee approved delaying the membership amenity survey until the Twin Creek pond matter could be discussed by the Board.

Executive Committee – No Report

Governance Committee – No Report

Recreation Committee - Sue Ahern reported on the activities and programs held this summer season. Sue expressed that the attendance overall has been very good. Sue reported the kids fishing derby had 90 qualified participants. With parents/grandparent and siblings, there was approximately 200 people in attendance.

Sub Association Liaison Committee – Dave Galloway reported that he had attended two (2) Association annual meetings and was well received. The owners in attendance were appreciative of SVEA attendance and keeping them informed.

Racquet Sports – *(Discussed earlier in the meeting.)*

Water Committee – *(Discussed earlier in the meeting.)*

OTHER BUSINESS

None

EXECUTIVE SESSION

None

ADJOURNMENT

With no further business Dave Galloway adjourned the meeting at 4:15 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 March, April & May 2019	2
Motion to Approve the Appointment of Pete Petersen to the Board of Director	2
Motion to approve Bike Path Easement Amendment	2
Motion to approve legal counsel clearing title for SVEA taking possession of Twin Creek Ponds 1 & 2	3
Motion to approve Executive Committee approval of Water Committee request of \$10,000 for Hydrologist	4
Motion to approve Mosquito abatement for Twin Creek Ponds	4
Motion to approve single level Village Racquet Sport Pro-Shop subject to ratification by owners at the Annual Membership Meeting.	5

ACTION ITEMS	
Who	Does What
Chuck	Bike Path Easement - Get Filed at Blaine County
Chuck & Jim Laski	Work on Clearing Title to Twin Creek Ponds
Chuck & Jon	Order and Apply Mosquito Treatment to Ponds
Chuck, Clark & Bob	Hire Hydrologist for Twin Creek Ponds
Chuck	Prepare Guest Fee Information for Tennis Committee
Chuck & Staff	Prepare Tennis Building Vote for Annual Meeting
Staff	Prepare to Send Out Amenities Survey



Sun Valley Elkhorn Association
July 19, 2019 Board Meeting
Elkhorn Owners & Guests Sign-in Sheet
(Please Print)

NAME	ELKHORN ADDRESS OR ACCOUNT #	EMAIL ADDRESS	TOPIC OF INTEREST
Wendy & Bob Conner	204 Lupine St,	DJSCCL@Aol.com	Pond
TAAU Robrah	3 Mock Orange	Helitaan@hotmail.com	Ponds
Rhonda Jaffe	5 camp Way	michaelnrhonda@msn.com	Development
IRWIN SENTILLES	212 LUPINE	IRWIN3@SENTILLES.COM	PONDS
Peter Peterson	112 Dandelion W		
Ed Hart & Eileen Hartstrom	4038 Bluff	hartstrom@aol.com	
Jim Lake	102 Lupine	james.lake@cox.net	Ponds
Osce Skarpenland	7 Black Birch		
Richard Barker	4407 Fairway Nine		Pickle Ball
Donna Barker	4407 Fairway Nine		"
Gloria & Doug Brown	Morningstar	douglaspbrown@aol.com	Tennis/Pickleball
Miley Wade	"		dogs
Bob & Fenny	2802 Vantage Way	rwhealey1946@gmail.com	Development

