

**SUN VALLEY ELKHORN ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
Friday, January 8, 2021
Minutes**

AGENDA BUSINESS ITEMS

1. Review and Approve Financial Reports – <i>September, October & November 2020</i>
2. Review and Approve 2019/20 Audit
3. Consider Auditor Engagement Letter for 2021 Audit
4. Consider Appointment of ADC Members
5. Berm Addition and Open Space Zoning Report
6. Discuss Annual Meeting Information
7. Committee Reports

IN ATTENDANCE

Board Members	Staff, Counsel & Others
Dave Galloway, President	Jim Laski, Legal Counsel
Anita Northwood, Secretary	Chuck Williamson, Staff
Karen Curry, Treasurer	Jon White, Staff
Grady Burnett, Vice President	Sue Ahern, Staff
Laurie Fitzpatrick, Director	Darlene Kuehn, Staff
Tom Eklund, Director	
Clark Furlow, Director	
Bob Diercks, Director	Owners and Others:
Pete Petersen - Director	See Attached Listing
Board Members - 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

Sun Valley Mayor Peter Hendricks reported on the following:

- COVID-19 – Blaine County moved into the High-Risk category in the previous week. Owners can find more information on the Blaine County and South Central Health District websites. The City of Sun Valley will meet weekly to update information on COVID-19 vaccine availability. The City expects to maintain the mask requirement mandate until April 2021.
- Road and Path Improvements will continue in 2021. The intersection at City Hall is planned for renovation this summer season. The City is working with the State of Idaho to assume maintenance and control over Sun Valley Road. Sun Valley Road improvements are planned for 2022.
- On January 21, the City will hold a special meeting to discuss the rezone of Prospector Hill. This will be a zoom meeting open to the public. Sun Valley Company is proposing to rezone the land for residential development.

OWNERS ADDRESSING THE BOARD

None

APPROVAL OF FINANCIAL REPORTS

The financial statements for September, October and November 2020 were provided to all Board Members prior to the meeting.

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

BUSINESS

1. Review and Approve the 2019/20 Audit

Chuck Williamson reported that the 2019/20 audit was submitted to the Chair of the Governance Committee, Pete Petersen and SVEA Treasurer, Karen Curry. Karen reported that she has reviewed the audit as prepared by Scott Hunsaker of Mahlke, Hunsaker and Company and is satisfied that proper accounting procedures have been followed. Governance Chairperson, Pete Petersen, confirmed that the audit reflects an accurate accounting of Association revenues and expenses for 2019/20.

MOTION: Karen Curry moved to approve the 2019/20 financial audit prepared by Scott Hunsaker of Mahlke, Hunsaker and Company, PLLC, Tom Eklund seconded, and motion passed unanimously.

2. Consider Engagement Letter for 2020/21 Audit

Chuck stated it is staff's recommendation to continue with Mahkle, Hunsaker and Company for the 2020/21 audit. Scott Hunsaker has proposed a \$200 increase in the cost of auditing services. The expense would total \$6,900 in 2020/21. Bob Diercks recommended that after seven (7) years with the same auditor, Scott Hunsaker, that it is common for companies to suggest a review by an alternate partner within the firm. Bob recommended that Chuck discuss this matter with the CPA and inquire as to this possibility next year. All present agreed.

MOTION: Karen Curry moved to approve the auditor engagement letter from Mahkle, Hunsaker and Company at a total cost of \$6,900 for the 2020/21 audit, Grady Burnett seconded, and motion passed unanimously.

3. Consider Appointment of ADC Members

ADC Manager, Sue Ahern, recommended approval of Landscape Architect, Denise Ford, and Architect Michael Brunell for a three (3) year term on the ADC. Sue reviewed the qualifications of each individual with those present. Denise Ford and Michael Brunell will replace Architect Pete Anderson who is term limited and property owner, Louis Isbell, who recently sold his Elkhorn property.

After discussion, ***MOTION: Clark Furlow moved to approve the appointment of landscape architect Denise Ford and architect Mike Brunelle to the Architectural Design Committee for a three (3) year term, Karen Curry seconded, and motion passed unanimously***

4. Berm Addition and Open Space Rezone – Status

Chuck reported that the rezone to open Space for SVEA in and around the Crown Ranch Phase IV development has been completed. The Camp Owners requesting SVEA approval to increase the height of a berm, to aid in screening the new Crown ranch development, is under review by the City. The Camp owners request was approved by SVEA in the July 2020 Board meeting. Chuck reported that the berm height addition would be administratively reviewed by the City and is expected to be approved.

5. Annual Meeting Assignments (Review Slide Deck)

Staff provided the annual meeting PowerPoint presentation slides for Board review. Board members were assigned to report on various items as it directly relates to their respective Committee Chairperson roles. Chuck submitted a proposed revision to the Capital Budget slide to better reflect the audited financial statements. Chuck reported that after discussion with Karen Curry that SVEA auditor and CPA, Scott Hunsaker, would report on the financial statements during this year's annual meeting. There were several additions to the balance sheet which could require in depth explanation best reported on by our CPA. Those present agreed with the changes proposed.

STAFF REPORT

The following is an excerpt from the Board meeting packet provided for owner information:

AMENITY OPERATIONS
December 2020

Harker Pool – Harker Pool has been winterized. The salt cells have been dismantled, cleaned, and stored for winter. Pool was winterized for the season. The pool is still experiencing significant water loss. Deep-end hydrostatic valves will be repaired/replaced in the spring.

Village Pool – The Village pool is under construction. Excavation, piping, and shell framing were completed in the fall. Shotcrete is scheduled to be sprayed over pool and hot tub shell frame in early January. The pumphouse work will continue through the winter to include installation of new boilers, filters, and pool house heating system. Pool / hot tub plaster and tile will commence in the spring with new decking and fencing to follow.

Common Areas/Open Space – Dog waste dispensers are being monitored and bags replaced as needed. 38 boxes totaling 7600 bags have been replaced since installation in October 2018. Ranch 11 boxes, Sagehill 15 boxes, Bluebell 7 boxes, Horseshoe Rd 4 boxes, Bluegrouse 1 box. A section of corridor trail on Juniper road is scheduled to be relocated above the owner’s property line in the spring.

Village Pond - The Village Pond is being aerated over the winter months to help the trout survive. The main fountain aerator and sonic algae unit was removed from the pond to prevent any winter damage and will be re-installed in the spring.

Harker Park – Splash pad was winterized, and park umbrellas were stored for winter. Volleyball, Shuffleboard, and badminton/basketball nets were stored for winter. The volleyball net post which was broken off during windstorm will be replaced in spring. Fence repairs will be assessed again next season.

Tennis Facilities - Pickle Ball – The Village Har-Tru clay courts have been winterized. The float valves were removed for winter, and windscreens folded up. Pickle Ball posts, nets and sound padding were stored in late October. Pro-Shop building was winterized.

Harker tennis court post tension concrete was installed in Sept and perimeter fence posts were set in place. The remaining fencing is on site and will be installed when courts are painted in the Spring 2021. Paver walkways are scheduled to be installed after courts are completed.

ADC Managers Report

**December 31, 2020
 Current Projects**

Project Type	Full ADC Committee Approval	Administrative Approval
New Residences	15	0
Remodels/additions	5	0
Deck/Deck Railing/Patio Expansion	1	2
Painting	0	2
Remove/Add Trees	0	13
Reroof	0	2
Windows and doors	0	11
Landscape		5
Privacy Screens	0	2
Awning	0	1
Lighting	0	2
Garage doors	0	2
Siding	0	1

Sunshine Parcel: Project resubmission – 49 townhouse units

Restriction Compliance

Infraction	Total
Trash cans	15
Recycle bins	3
Trailer	2
Unsightly	1
No App	3
Signs	1
Camper	1

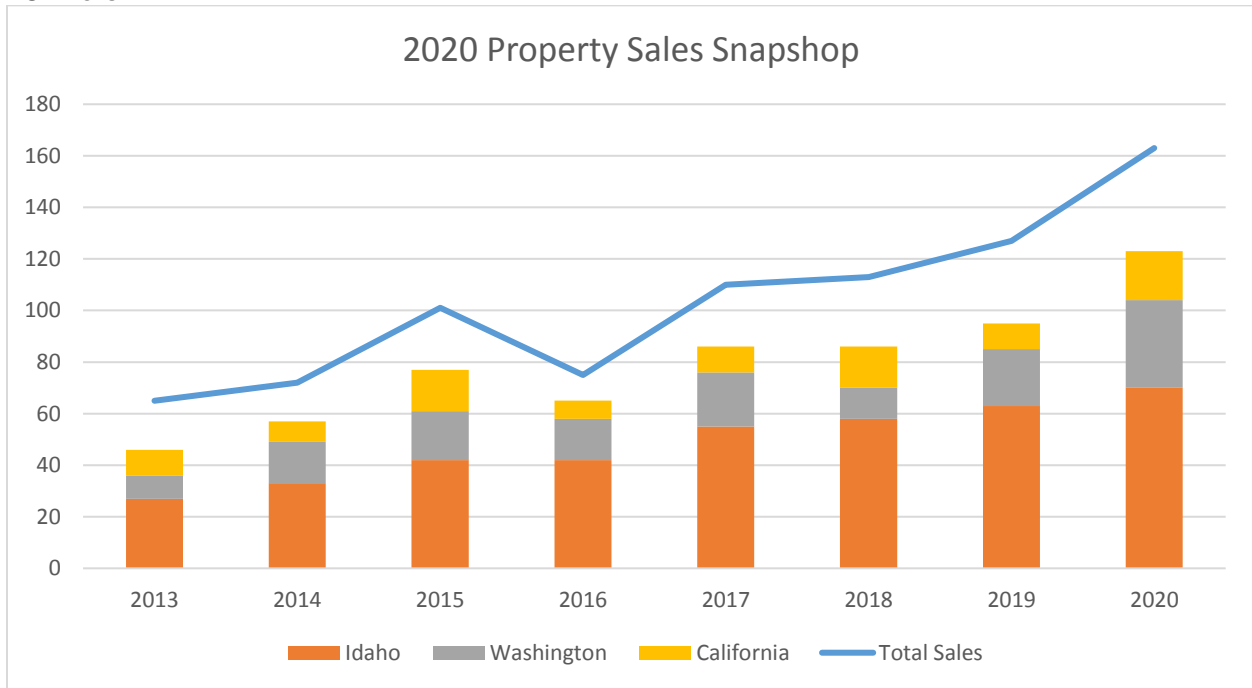
**Finance Directors Report
Dues Payments Overview**

- As of December 29, 2020
 - There is one owner that is over 90 days past due
 - There are currently 56 owners that are 31-60 days past due.
 - The combined Assessments Receivable balance is \$21,714

Operational & Capital Overview

- As of November 31, 2020
 - The Capital Reserve asset replacement fund balance totaled \$427,679
 - The Operational Account cash and investments balance totaled \$785,264

New Owners

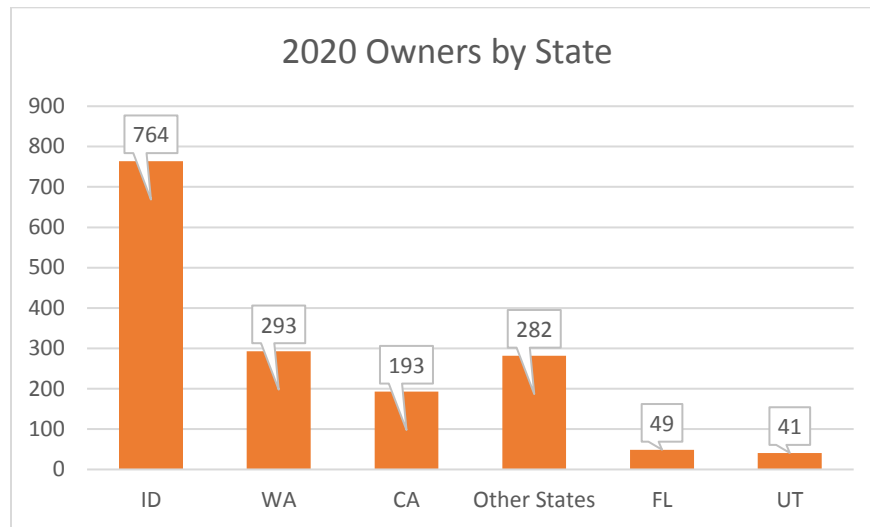


Owners by State

People from 39 states and 2 foreign countries own property in Elkhorn

47% (764) of Elkhorn owners have Idaho mailing addresses

32% (522) receive their mail in Blaine County



E-blasts in 2020

A total of 52 e-blasts were sent out during the past year with an average open rate of 62% up 10% from the previous 12 months. SVEA has a total of 2025 email addresses for 1336 (82%) of Elkhorn properties.

E-blasts covered a range of topics from information about amenity access updates, Covid-19 updates, reminders about future Board and Annual Meetings. They also included messages from the City of Sun Valley, the upcoming Elkhorn Road Work and access to the Elkhorn in Sun Valley Newsletters. The three e-blasts with the highest percentage of opens were for the Spring Newsletter (70%), the March Letter from the Mayor on the subject of the Covid-19 outbreak (72%) and the home & condo rental Scam Alert (68%).

COMMITTEE REPORTS

1. Communications Committee ~ Grady Burnett reported that the Communications Committee met and reviewed the communications issued in 2020. The Committee discussed the amenity survey and determined that it should not be sent to owners at this time due to the impacts of COVID-19 on amenity operations in 2020. The committee determined the survey should wait until after amenity operations fully resume and normalize. Grady expressed concern that in his discussion with Taan Robrahn, a Twin Creeks Owner, that owners in the area want something to be done by SVEA with regard to the ponds. Grady suggested revisiting this matter in the March Board meeting to discuss SVEA pursuing a final solution and the development of the riparian corridor as previously approved by the Board.
2. Executive Committee – Dave reported that the Executive Committee met and finalized the updated Capital Reserve Study implementation and the 2021 Capital Budget approval.
3. Finance/Long Range Planning Committee ~ Karen stated there was nothing beyond the audit and financial reports reported herein.
 - a. Ad Hoc Revenue Analysis Subcommittee – Dave Galloway reported that the Ad Hoc Revenues Analysis committee met on two occasions to review potential revenue alternatives to supplement the funding and replacement of capital assets. SVEA is in the process of replacing its tennis courts as well as the Village pool. The Harker pool will need replacement in the near future. The capital funds will be depleted upon the completion of the tennis and Village pool reconstruction. The Committee is reviewing potential revenue generating options to offset a substantial portion of a special assessment which will be required to rebuild the Harker Center pool. Staff has compiled a significant amount of usage data for the Board to review in a workshop meeting to be held within the next few weeks.
4. Governance Committee ~ Pete stated there was nothing more to report beyond the approval of the 2019/20 financial audit.

5. Recreation Committee ~ Anita stated that the recreational activity was limited this past summer season due to COVID-19. Staff did what they could to provide swimming and racquet sports options for owners and guest to enjoy. Anita stated that the committee was looking forward to expanded recreation options in the 2021 summer season.
6. Sub Association Liaison Committee – No Report
7. Racquet Sports ~ Laurie reported that racquet sports saw a substantial increase in usage and revenues the past summer season. The new pickleball facilities and tennis court rebuild projects have generated a lot of excitement and it is anticipated it will be another very busy season in 2021. The golf course operations saw a 40% increase in usage in 2020 and expect a similar turnout in 2021.
8. Ad Hoc Pond Committee – Nothing to report at this time.

OTHER BUSINESS

None

EXECUTIVE SESSION

The Board adjourned into Executive Session to discuss two (2) matters:

- 1) The Voting of Board Proxies received from the owners; and,
- 2) The approval of a proposed amendment to the Supplemental Declaration of the Sunrise subdivision to prohibit fencing on lots 1 – 19.

MOTION: Pete Petersen motioned to approve moving into Executive Session for the purpose of discussing the allocation of Board assigned proxies and review of a proposed amendment to the supplemental declarations of the Sunrise subdivision, Tom Eklund seconded, and motion passes unanimously.

MOTION: Anita moved to approve moving back into general session, Tom Eklund seconded, and motion passes unanimously.

Motions as a result of Executive Session are as follows:

MOTION: Anita moved to approve that the Board proxies be allocated 1/3 for Pete Petersen, 1/3 for Laurie Fitzpatrick and 1/3 for Tom Kling, Tom Eklund seconded, and motion passes unanimously.

Having adequately demonstrated that due process was followed in the proposed amendment to the Sunrise subdivision supplemental declarations, which prohibits fence installation on lots 1-19, the Board members by unanimous consent approved the certification of the of the amendment to the Sunrise subdivision supplemental declarations.

ADJOURNMENT

With no further business Dave Galloway adjourned the meeting at 4:15 p.m.

Respectfully Submitted,

 /s/ Anita Northwood
Anita Northwood, SVEA Secretary

SUMMARY OF MOTIONS, DECISIONS & ACTION ITEMS

Motion or Decision	Page #
Motion to approve Financial Reports for September, October & November 2020	2
Motion to approve the 2019/20 Audit	2
Motion to approve Auditor Engagement for 2021	2
Motion to approve Denise Ford and Michael Brunelle appointment to the ADC for 3 Yr Term	2
Motion to approve Board proxy vote distribution for Pete Petersen, Laurie Fitzpatric and Tom Kling	6

ACTION ITEMS	
Who	Does What
Chuck	Talk to Scott Hunsaker on opinion about rotating the audit to other partner
Chuck	Send Signed Engagement Letter to Scott Hunsaker for 2020/21 Audit
Chuck	Continue work with City on OR-1 Rezoning to OS
Chuck/Grady	Place Twin Creek Ponds on Next Board Agenda
Chuck/Dave	Set up Board Workshop for Revenues Analysis Committee
Chuck/Darlene	Record Sunrise Amendment with Blaine County