

**SUN VALLEY ELKHORN ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, March 18, 2021
Minutes**

AGENDA BUSINESS ITEMS

1. Review and Approve Financial Reports – <i>December 2020, January & February 2021</i>
2. Revenue Analysis Committee – Fee/Dues Recommendations
3. Twin Creek Riparian Corridor – Ad Hoc Pond Committee Recommendations
4. Racquet Sports – Rental Allowance Increase Request
5. Committee Reports

IN ATTENDANCE

Board Members	Staff, Counsel & Others
Dave Galloway, President	Jim Laski, Legal Counsel
Tom Eklund, Secretary	Chuck Williamson, Staff
Karen Curry, Treasurer	Jon White, Staff
Grady Burnett, Vice President	Sue Ahern, Staff
Laurie Fitzpatrick, Director	Darlene Kuehn, Staff
Tom Kling, Director	
Clark Furlow, Director	
Bob Diercks, Director	Owners and Others:
Pete Petersen - Director	Zoom Attendance
Board Members - Not Present - None	

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 all Directors in attendance.

REPORT FROM SUN VALLEY MAYOR

Sun Valley Mayor Peter Hendricks reported on the following:

- COVID-19 – Blaine County remains in the High-Risk category. Owners can find more information on the Blaine County and South Central Health District websites. Blaine County reports that 35% of the area residents have received at least one vaccine injection. 25% of the area residents have received both vaccine injections. State-wide 27% have received at least one vaccine injection. The mask ordinance will likely remain in place until May 1.
- Road and Path Improvements will continue this summer and will include the roadway in front of City hall.
- The Prospector Hill rezone was approved with a mix of zoning that includes low density, high density, commercial and open space. No development plans have been presented at this time. The maximum number of residential units permitted is 112.
- The City is expecting a strong recovery in tourism this summer season with a corresponding increase in LOT tax revenues.
- Mayor Hendricks stated the City would continue to regularly update the citizens on COVID-19 requirements.
- Pete Petersen expressed concern about speeding in the City and requested the City again be vigilant this summer. The Mayor expressed the City has taken steps to increase patrols and will continue to make traffic law enforcement a priority.

OWNERS ADDRESSING THE BOARD

Paul Mattie – 119 Paintbrush – Mr. Mattie expressed his concern about allowing owners to move their building envelopes in Elkhorn for no apparent reason. He is concerned that SVEA has not taken a more proactive role and objecting to the envelope shift proposed at 104 Fireweed during the City review process.

Rob Lee – 114 Syringa – Mr. Lee expressed his apologies for the re-roofing project on his residence which has been occurring over the winter months. He expressed the project will be completed as soon as possible.

Sharon Bockemohle – 10 Chateau Circle – Sharon expressed her concern that the CCR's for each of the subdivisions should be enforced when new homes are built and that the building envelopes be protected. The building envelopes were placed by the original developer to preserve views from each lot and envelopes should not be moved. Sharon would like SVEA to express opposition to the 104 Fireweed application currently under review by the City.

Pamela Larsen – Bluff 4023 – Ms. Larsen expressed concern about short-term rentals in the Bluff Association and the negative impacts this activity has had on the amenities and the quality of life. Dave Galloway explained that little can be done by SVEA to prohibit short-term rental activity due to State statute. Chuck stated that there are some actions each association property can take which may help regulate the activity. Chuck stated he would reach out and provide additional information.

Cheri Jorgenson – 106 Fireweed – Cheri requested that her concern about moving building envelopes be included in the record in support of those owners who oppose the 104 Fireweed application.

APPROVAL OF FINANCIAL REPORTS

The financial statements for December 2020, January and February 2021 were provided to all Board Members prior to the meeting.

MOTION: Pete Petersen moved to approve the financial reports as submitted, Tom Kling seconded, and the motion passed unanimously.

BUSINESS

1. Revenue Analysis Committee – Recommendations Review

Dave Galloway reported that the Revenues Analysis Committee has concluded an extensive review of the amenity and administrative operations. The Committee held several meetings and presented their findings to the Board during a workshop session in early February. After the Board workshop, the Revenue Analysis Committee finalized their recommendations and have proposed the following:

- 1) Long Term/Short Term Rentals - \$600 - Long and short-term rental properties will be charged "Rental Property Amenity Access Dues" totaling \$600 annually.
- 2) "Non-Resident Public Access" - \$5.00 – All persons not residing in Elkhorn will be charged a \$5.00 guest fee. A non-resident is anyone not physically residing/staying in Elkhorn at the time of requested access to amenities.
- 3) Long-Term Rental & Corporate Card Holders – \$5.00 - Long-Term Tenants and Corporate Card holders will allow for one person access without an additional fee. All guests of a long-term tenant or corporate card holder shall be charged a \$5.00 amenity access fee.
- 4) Administrative Property Setup Charge - \$100 – This fee will cover the cost of administrative time to transfer all property records into a new owners' name and cover the cost of the welcome packet sent to new owners.

General Manager, Chuck Williamson, requested Board consideration for increasing the “Appeals Fee” from \$250 to \$2,000 to be more reflective of the actual costs incurred during the SVEA appeals process. The “Appeals Fee” was established 10+ years ago and is insufficient in paying the legal fees incurred during the appeals process. Those present agreed.

Board members were asked if they had any questions in regard to the Revenues Analysis Committee recommendations. Bob Diercks expressed his appreciation for the thorough and thoughtful work put into making the proposed recommendations. Tom Kling inquired as to when the fees will take effect and Dave explained the plan is to implement the new dues and fees beginning June 1, 2021.

After Discussion, MOTION: Tom Kling moved to approve the recommendations of the Revenue Analysis Committee for the supplemental dues, fees and charges proposed and to increase the Appeals Fee to \$2,000, Karen Curry seconded, and motion was unanimously approved.

Chuck explained that in order to facilitate the implementation of the new fees structure, the Policies, Procedures and General Rules for amenity access will require amendment. These documents were last updated 10+ years ago. Prior to the meeting, staff prepared and sent the updated Policies, Procedures and General Rules to all Board members for their consideration.

Pursuant to Board discussion, ***MOTION: Tom Eklund moved to approve the updated Policies, Procedures and General Rules as proposed by staff, Pete Petersen seconded, and motion was unanimously approved.***

2. Twin Creek Riparian Corridor Recommendations

Clark Furlow reviewed the history and current status of the Twin Creek ponds. The water rights, allowing for the retention of water which creates the ponds, have been lost. During a prior Board meeting, the Ad Hoc Pond Committee recommended the ponds be removed and the area restored to a riparian corridor allowing for the free flow of water. At the request of the area owners, the Ad Hoc Pond Committee recommended that on a temporary basis no further action be taken towards riparian conversion. The purpose was to allow the area owners an opportunity to investigate available options. During the owner investigation period, SVEA would continue to provide minimal pond maintenance. Subsequent to the meeting where the decision was made to take no action on a temporary basis, SVEA has received complaints from owners with regard to maintenance of the ponds. A homeowner filed a nuisance complaint with the City of Sun Valley and rumors regarding the ponds is creating concern among the area homeowners. No homeowner or group has approached SVEA or accepted the invitation to take responsibility for the ponds. Clark expressed that given the concerns expressed, and complaints received, the Ad Hoc Pond Committee recommends proceeding at this time with the development of the Twin Creek riparian corridor. To begin the process and move forward on this recommendation, the Ad Hoc Pond Committee requested the Board consider the following:

- 1) Declare that it is no longer the Board’s policy to delay the restoration of the Twin Creek ponds to a riparian corridor.
- 2) Discharge the Ad Hoc Pond Committee having finished its task of investigating what SVEA should do with regard to the ponds.
- 3) Appoint the members of the former ad hoc pond committee to serve as the “Twin Creek Riparian Restoration Committee” with instructions to study how best to proceed with restoring the ponds to a riparian area and reclaim the natural setting as it existed prior to the developer created the ponds.

In order to begin the process, Clark requested the Board authorize the Committee to expend up to \$25,000 to engage the services of a hydrologist, a landscape architect, a wetlands expert, and other appropriate experts for design and planning development.

Pursuant to discussion, ***MOTION: Pete Petersen moved to approve discharging the Ad Hoc Pond Committee and thanked Clark and Bob for their service, Clark seconded, and motion was unanimously passed.***

MOTION: Pete Petersen moved to approve the formation of the “Twin Creek Riparian Restoration Committee” and appoint Clark Furlow and Bob Diercks to co-chair the new committee, Bob Diercks seconded, and motion was unanimously passed.

MOTION: Clark Furlow moved to approve that the Board authorize the initial expense of up to \$25,000 to begin the design and planning process for restoring Twin Creek ponds to a riparian corridor, and if additional funds are required grant the Executive Committee the authority to approve as may be required, Tom Eklund seconded, and motion passed unanimously.

STAFF REPORT

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

AMENITY OPERATIONS

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. Infinity Pools has been contacted to complete repairs. Opening is scheduled for Memorial Day.

Village Pool – The village pool is under construction. Excavation, piping, and shell framing were completed in the fall. Shotcrete was sprayed over pool and hot tub shell frame in January. Pump room work has begun and will continue through April to include 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. Artificial grass has been ordered and scheduled for a late April / early May delivery.

Common Areas/Open Space Trails – Dog station bags are being monitored and bags replaced as needed. A section of open space corridor hiking trail on Juniper road is scheduled to be repositioned above the owner’s property line in the spring.

Village Pond – Village pond aerators functioning properly and creating oxygen for fish population. Re-stocking of fish is scheduled for June.

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 as well.

Tennis Facilities – The 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 poured in September 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. Contractor has been contacted recently and is still on schedule for spring fence install and color surfacing of courts. Tennis Committee is expected to make a color selection prior to the Board meeting. Paver walkways and fence electrical outlets are scheduled to be installed after courts are painted.

ADC Managers Report

**March 9, 2021
Current Projects**

Project Type	Full ADC Committee Approval	Administrative Approval
New Residences	40 (Sunshine Townhomes=25 Phase One) 3 pending 3/10 ADC Meeting	0
Remodels/additions	3	0
Deck/Deck Railing/Patio Expansion	1	2

Reroof	0	1
Landscape	2	2
Privacy Screens	0	1
Driveway	0	1
Siding	0	1
Windows/doors		1
Hot Tub		1

Restriction Compliance

Infraction	Total
Trash cans	6
Recycle bins	3
Trailer	1
Unsightly	2
Christmas trees	2
Camper	1

Finance Directors Report

Dues Payments Overview

- The Accounts Receivable balance is currently -3,967 as some owners have paid April dues in advance.
- As of March 5, 2021, there are 5 owners that are over 125 days delinquent. Two of those have issued payments via post, three have agreed to pay prior to month end.
- The four new Golf Lodges in Elkhorn Springs have been completed. Of those, two have sold and the remaining two will close in April and May. These sales increased ownership shares for SVEA from 1,632 to 1,635.

Operational & Capital Overview

- **As of March 2, 2021**
 - The bank informed staff that SVEA's PPP Loan of \$86,100 was forgiven.
- **As of February 28, 2021**
 - Total YTD Assessments | Other Income was 2.2% (\$3,100) over budget.
 - The Capital Reserve asset replacement fund balance totaled \$387,563.
 - The Operational Account cash and investments balance totaled \$675,639 up \$257,715 from last year's report of \$417,889.
- **As of January 31, 2020**
 - Total YTD Expenses were 2.5 % (\$14,900) under budget.

COMMITTEE REPORTS

1. Communications Committee - Grady Burnett reported that the Communications Committee met and welcomed a new committee member. Committee members reviewed SVEA communications, and the various forms in which the information is delivered to the property owners. This past year communications focused primarily on COVID-19 and the challenges posed in providing amenity access. The Committee discussed the importance of regular and consistent communications with regard to the new fees, and the group is committed to getting the message out to the membership. Communications are scheduled to start immediately with an eblast following the Board meeting. Grady reported that he received comment that SVEA was perceived as lacking in their communication with regard to the Twin Creek pond issue. Grady expressed it will be important to provide continuous updates as this matter progresses. The committee will be replacing many of the website photos in the coming year with professional photography.
2. Executive Committee – No Report

3. Finance/Long Range Planning Committee - Karen stated there was nothing more to report with regard to the financial committee. She stated the Ad Hoc Revenues Analysis Committee has concluded its review of amenity and administrative operations.
4. Governance Committee - Bob Diercks reported that the Governance Committee will be meeting over the next few months to review the Board election process and assignment of proxies. Bob expressed he would like to see improved guidance and information distributed to owners during the Board election process. The committee will prepare recommendations for Board consideration during the July meeting.
5. Recreation Committee - Pete reported the Recreation Committee would be meeting in the next week.
6. Sub Association Liaison Committee – No Report
7. Racquet Sports - Laurie reported that the Racquet Sports Committee met and finalized the color of the new Harker tennis courts. The courts will have a dark blue playing surface with a dark green border. The fencing is scheduled to be installed as weather permits. The committee reviewed and approved the 2021 Racquet Sports agreement with no changes in compensation. The committee is recommending Board approval of the proposed rental stipend to assist in the housing cost for the pros. Last year the stipend was \$1,800 per month; however, due to the pressures of the short-term rental market, the availability of long-term housing has been reduced with corresponding rental cost increases for those units which are available. The Committee is recommending the rental allowance be increased to \$2,500 per month. After discussion, ***MOTION: Grady moved to approve the increase in the racquet sports housing allowance to \$2,500 per month for the period of June 1 through Labor Day, Clark seconded, and motion passed unanimously.***

OTHER BUSINESS

Pet Waste Cleanup – Bob Diercks expressed his concerns that the dog refuse problem in Elkhorn seems to be getting worse every day. The amount of dog waste and bags left behind by pet owners is becoming overwhelming. Bob suggested that more communication with owners is needed and maybe additional waste containers situated throughout Elkhorn. Those present voiced that this has been a significant problem for quite some time and has been discussed and reviewed by the Board on many occasions. Grady stated that additional reminders within newsletters and eblast is possible. The Communications Committee will make an effort to consistently promote a message to the property owners, guests, and tenants on the importance of cleaning up after pets and properly dispose of pet waste bags. Tom Kling volunteered to revisit this issue on the Board behalf.

EXECUTIVE SESSION

MOTION: Pete Petersen moved to approve adjourning into Executive Session for the purpose of discussing the following:

- 1) *A Proposed Amendment to the Employee 401 (k) plan; and,*
- 2) *Potential pending litigation.*

Tom Eklund seconded, and motion was unanimously approved.

MOTION: Pete Petersen moved to approve returning to general session, Clark Furlow seconded, and motion passes unanimously.

Motions as a result of Executive Session are as follows:

MOTION: Clark moved to approve the amendment to the employee 401 (k) plan bringing the plan into compliance with the CARES Act passed in 2020, Tom Eklund seconded, and motion was unanimously passed.

ADJOURNMENT

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

Respectfully Submitted,

/s/ Tom Eklund

Tom Eklund, SVEA Secretary

SUMMARY OF MOTIONS, DECISIONS & ACTION ITEMS

Motion or Decision	Page #
Motion to approve Financial Reports for December 2020, January and February 2021	2
Motion to approve The Revenue Analysis Committee dues and fees recommendations.	3
Motion to approve updated Amenity Policies, Procedures and General Rules	3
Motion to approve Discharging Pond Committee, Create the Twin Creek Riparian Restoration Committee, and approve up to \$25,000 for design and development of riparian corridor.	3/4
Motion to approve increase in rental allowance stipend for racquet sports employee housing	6
Motion to approve proposed amendment to employee 401(k) plan bringing into compliance with CARES Act.	6

ACTION ITEMS	
Who	Does What
Staff	Implement New Dues and Fees on June 1, 2021
Chuck	Contact Pamela Larsen at Bluff with Short Term Rental Solutions
Chuck, Clark & Bob	Meet and discuss planning for moving ahead on riparian corridor.
Chuck, Darlene	Include Pet Waste Issue in SVEA future communications.
Grady, Chuck, Darlene	Improve Communications with regard to new fees and riparian corridor status.