

**SUN VALLEY ELKHORN ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, September 23, 2021**

Minutes

AGENDA BUSINESS ITEMS

1. Review and Approve Financial Reports – <i>June, July & August 2021</i>
2. Review and Approve 2021/22 Operational and Capital Budgets
3. Annual Meeting Information & Nominating Committee Status

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
Pete Petersen - Director	Darlene Kuehn, Staff
Tom Kling, Director	
Clark Furlow, Director	
Bob Diercks, Director	Owners and Others:
	See Sign in Sheet
Board Members - Not Present	
Laurie Fitzpatrick, Director	

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 eight (8) Directors in attendance.

REPORT FROM SUN VALLEY MAYOR

Sun Valley Mayor Peter Hendricks reported on the following:

- COVID-19 – Blaine County has reverted into the critical category. Sun Valley City has a very low infection rate as most citizens have received a vaccination. Mayor Hendricks expressed his concerns for the winter season and requested that everyone remain vigilant and observe mask mandates and safety protocols in public spaces.
- Road and Pathway construction has moved into the landscaping phase for the remainder of the year. Next summer, Sun Valley Road from Spruce Street to Boundary Campground has been scheduled for improvement.
- Sun Valley Company will be continuing with the White Cloud development. The Company plans to haul a significant amount of dirt from the White Clouds to Dollar Mountain. The city intends to send an eblast in advance of this activity.

OWNERS ADDRESSING THE BOARD

Randy Beatty – 6 Blackbirch - Peggy French submitted a letter dated July 19, 2021 written by Randy Beatty, owner of #6 Black Birch, addressed to neighboring property owners. In his correspondence, Mr. Beatty expresses concern over the HOA plan. He states lack of funding and loss of water rights as negligence by HOA leadership and management. He suggests the possibility of borrowing funds and/or increasing HOA dues to restore the ponds. He states that the argument that the ponds are only of value to a small number of families is short sighted and almost surely incorrect. Mr. Beatty expressed concern that the plan is devoid of details which suggests SVEA is not willing to spend any serious money on the waterway.

He believes the only way to get the attention of the HOA is to hire a law firm believing a serious threat will stop the project and incentivize the leadership and Board to seek alternative solutions. He states it would be unwise to take on the legal liabilities for water rights and other mistakes of the HOA. He concludes by stating he does not believe the Board and management are acting in bad faith. He believes the HOA is taking their budget as fixed when HOA fees need to be increased to cover the obligations of the HOA.

Peggy French - 5 Aspen Lane - Peggy French requested that the Board meet with the Twin Creek owners to discuss how to keep and maintain the ponds. She expressed that the ponds add to their property value and the removal of ponds will be detrimental to those values. She expressed concern that the past three (3) years of meeting minutes stated nothing on the Board's intent to remove the ponds prior to her purchase of the property. She had to obtain and search the minutes dating back to 2001 to get a better understanding of the pond history. She expressed that removing the ponds and creating a riparian area is wrong and the ponds are an asset to the community and a natural habitat for the area wildlife.

Taan Robrahn – 3 Mock Orange – Taan expressed his concerns about the “lackluster” landscape plan submitted with the application to the Army Corp. and Idaho Department of Water Resources and believes the Board is following the wrong process moving forward. Taan stated that the application has an error in that it states there is no wetland impact, when in fact the entire area is a wetland. He believes when the water is lowered it will physically affect his property and cause financial harm to his property values. He reported that a corner of his lot extends into the pond #4. He expressed concern that there has been no follow up on the benefits for public fire safety in maintaining the ponds. Taan asked that the Board work together with the owners in finding a solution.

Al Stevenson – 106 & 108 Bluebell – Al expressed his concerns about the ponds and the loss of recreational opportunities for the neighbors and the Elkhorn community. He stated that past Boards should have accounted for ongoing pond maintenance in their capital budgeting. Water rights should have been preserved by SVEA when the opportunity was made available on multiple occasions. Al asked that the Twin Creek owners be offered an opportunity to speak with the Architectural Design Committee when the riparian restoration plan comes before them for review. Al recommended that the Board compile a cost/benefit pros/cons analysis and review available options.

APPROVAL OF THE FINANCIAL REPORTS

Board members received the financial statements in advance of the meeting. ***MOTION: Karen Curry moved to approve the financial statements for June, July, and August 2021, as provided to the Board, Pete Petersen seconded, and motion unanimously passes.***

BUSINESS

1. 2021/22 Operational and Capital Budget Review and Approval

The budget information was sent to all Board members for review prior to the meeting. Chuck reported that the Finance Committee met in August and reviewed and approved the Operational and Capital budget submitted to the Board for approval. Chuck explained staff restated the capital reserve budget to reflect the study received from Association Reserve Group. He stated that line items were added to each amenity area to capture items that were omitted or not included in the third-party reserve study. These line items will be used for unbudgeted capital expense items approved on an annual basis. The finance committee recommended that the Capital Reserve collections be increased by \$100 a year to start accumulating funds the rebuild of the Harker pool. Given the uncertain timing of when the Harker pool will be replaced, and the fact that new fees and dues were implemented in the past year, it was recommended that the property owner assessments remain the same in the coming year. After discussion, those present agreed.

Chuck reviewed the operational budget and explained that the budget as proposed indicates a small deficit. Cash carried forward from operations will be used to offset the projected budget deficit of approximately \$35,000 in 2021/22. Grady asked about funds budgeted for the pond work anticipated in the next year. Chuck explained that nothing had been budgeted awaiting final approval of the plans. He explained he was not sure what the project scope will entail until final approval has been received from the public agencies. Once the riparian restoration plans are finalized, he will submit a funding request to the Board for approval.

After discussion, **MOTION: Tom Kling moved to approve the 2021/22 Operational and Capital Budgets as recommended by the Finance Committee and presented to the Board of Directors, Karen Curry seconded, and motion passes unanimously.**

2. Annual Meeting Information – Discussion

Bob Diercks, Chair of the Governance Committee reported that Board of Director applications are due by September 30th. There has been some interest expressed by a few owners. Bob stated that he will run again and is therefore not eligible to chair the Nominating Committee. He recommended Pete Petersen be appointed by the Board to fill this role. In addition to Pete, Bob suggested that Tom Eklund be appointed as the second current committee member required under the Nominating Committee policy. All present agreed. Clark Furlow announced that he too will again be running for the Board. Chuck reported that Dave Galloway is term limited and is not eligible for re-election in the coming year.

Chuck reported that the current surge in Blaine County COVID cases makes it difficult to plan and hold an in person annual meeting. The meeting format and venue needs to be decided by November 1st, to properly notice and prepare for the annual meeting. He recommended that the Board consider approving a virtual meeting format again this year. Only Board members and invited guests will be allowed to attend in person with the limited space available at the Harker Center. The meeting would be broadcast by Zoom webinar service as was done for the 2020 annual meeting. After discussion, **MOTION: Pete moved to approve holding the annual meeting virtually if it is prudent to do so given an unfavorable outlook on the continued spread of COVID, Clark Furlow seconded, and motion passes unanimously.**

STAFF REPORT

Note: The following is an excerpt from the Board meeting packet provided to all Board members prior to the meeting:

GENERAL:

COVID Protocol – Currently Blaine County, Ketchum and Sun Valley are imposing a mask mandate for indoor spaces that will remain in effect until December 14, 2021 for Sun Valley. Ketchum, Hailey and Blaine County all have various ending dates. There is no exception for vaccinated persons, however, there are instances where if social distancing can be achieved indoors, it negates the mask mandate in Ketchum and Hailey. While it is confusing, this may again put SVEA in a position of implementing alternative meetings formats should COVID continue to escalate. In particular, the annual meeting may not be held in person again this year unless everyone is wearing a mask and in an appropriately spaced venue. The SVEA administrative staff is completely vaccinated. When booster shots become available, staff will most likely accept. However, until such time as boosters become available and if COVID numbers do not start to recede, Staff may incorporate work from home and office staffing rotation over the winter months. This may be less disruptive than mandatory isolation if key administrative personnel become infected. This is a fluid situation, and the Board will be kept informed going into the winter season.

Racquet Sports Contract Approval – The racquet sports program set another record-breaking year in regard to revenue generating activity. Full yearend participation and revenue numbers will be published in the upcoming newsletter. Through August 17th revenues were up from \$72,178 in 2020 to \$84,790 during the same period. Approximately a 17% increase. Pickleball usage is up another 9% on the year and tennis usage is about even year over year. The Board will be approving the 2022 Racquet Sports employment agreement. The Ladies Day/Women's Summer Challenge tennis program has never fully recovered after former pro Bill VanDeinse was replaced by Scott Teller. The women's organized play program sponsored by SVEA may be discontinued, and an organizational service developed for matching up single and organizing group players. The details are still being finalized and will be submitted to the Racquet Sports Committee for approval. The overriding concern going forward is housing for the Racquet Sports professionals. The cost continues to climb as inventory continue to shrink.

AMENITY OPERATIONS

Harker Pool – Pool was closed on Sept 7th, after Labor Day. Pool circulation plumbing is scheduled to be scoped for potential leaks. Pool furniture has been placed in storage, and pool will be drained and winterized by end of October.

Village Pool – Scheduled for closing on September 27th. Spa stairs are scheduled to be rebuilt for height code regulations. Pool and Spa handrail height will be adjusted to meet code. Deck sealing around pool gutter will be completed in October. A leak inside pump room is scheduled for repair after the pool closes.

Ponds/Waterways - Pond cleanup was completed in July to remove algae and debris in Twin Creek ponds. Surface aerator in the village pond will be removed for the winter. Subsurface aerators will be kept operational this winter for fish survival.

Harker Park – Park umbrellas, volleyball net and shuffleboard will be stored for winter. Alternative one-piece sundial plaques will be researched this winter, to withstand the elements better and be more visually appealing. Bids are being received for the chain link fence fabric replacement and the repainting of the posts and rails.

Racquet Sports –The Har-Tru courts are currently operational but are being monitored due to colder temperatures. It is anticipated that Har-Tru courts may need to be winterized by the end of the first week of October. Tennis / Pickleball nets and furniture at the Village facility will be stored for winter. Sound padding will be removed from fencing and stored for winter in October. Check-in building will also be winterized in October. Harker tennis nets and windscreens will be taken down, and new black windscreens placed in Spring 2022.

ADC Managers Report

ADC & Compliance Reports

Current Projects

Project Type	Full ADC Committee Approval	Administrative Approval
New Residences	8 approved 7/1 – 9/15 8 approved prior to 7/1 2 denied 4 expected shortly	
Tree removal		3
New trees		2
New paint color		1
Fence		2
Pergola		1
Air Conditioner		1
Deck/Deck Railing/Patio Expansion		1
Landscape		2
Reroof - homes		2
Reroof - Legends		1
Siding		1
Windows/doors		1

Restriction Compliance

Infraction	Total
Trash cans	5
Recycle bins	3
Trailer	1
Unightly	1
Boat	1
Camper	1

Finance Directors Report

Dues Payments Overview

- As of September 9, 2021, SVEA has received a total of \$188,400 for Rental Amenity Access Dues.
 - To date eight (8) owners have not yet paid the dues.
- Total income for Access Fees for the pool and racquet sports entries stand at \$13,926
- Total Income for Set-up fees is \$4,700
- Currently, the number of owners over 30 days delinquent are as follows:
 - Crown Ranch billing \$6,066
 - Last month it was discovered that units had sold in the new Crown Ranch subdivision. SVEA's documents state that as soon as one property sells in a project dues are owed for the entire project. The developer has been billed.
 - Seven (7) property owners owe \$600
 - One (1) property owner owes \$937 – A lien has been filed for Association Dues.

Operational & Capital Overview

- As of August 31, 2021
 - The Capital Reserve asset replacement fund balance totaled \$541,831
 - The current principal due on the Zions loan is \$1,433,307
 - The Operational Account cash and investments balance totaled \$677,394 nearly \$118,991 more than last year at this time.

End of Staff Report Excerpt.

Dave Galloway requested that staff prepare and report on the Rental Amenity Access Dues and Amenity Access Policies for any recommended changes or adjustments in the coming year.

Tom Kling requested that staff prepare and maintain a detailed report on the Village pool rebuild. Include information on the contractors used during construction, give an assessment of their performance, and include what went well and what went poorly during construction. Tom stated these details may be of benefit to the Board and staff in the Harker pool rebuild.

COMMITTEE REPORTS

1. Communications Committee – Grady reported that no meeting was held by the Communications Committee. Grady thanked Clark for the increased reporting on the riparian restoration issue. Grady stated that during the SVEA construction projects and riparian restoration issues that smaller projects were tabled that will again resume as more time becomes available.
2. Executive Committee – Dave reported the Executive Committee met the previous day to discuss employee matters which will be reported on during Executive Session.

3. Finance/Long Range Planning Committee – Karen stated the Finance Committee met for the purpose of reviewing the proposed budget and preparing recommendations for Board consideration.
4. Governance Committee – Nothing in addition to approved action indicated earlier in the meeting.
5. Recreation Committee - Pete reported the Recreation Committee programs have been very successful. Pete thanked Sue Ahern for her oversight of a successful summer program schedule. Sue reported that all programs had full participation. The fishing derby and dog pool festival continue to be among the most popular events of the summer season.
6. Sub Association Liaison Committee – Chuck W. reported that the Sub-Associations are transitioning back into normalized in person meetings, and they have started requesting SVEA representatives to report during their meetings. Chuck and Dave both attended several of the Sub-Association summer meetings.
7. Racquet Sports – Chuck reported that racquet sports were again very active during the summer season. More will be reported in the upcoming newsletter. The racquet sports contract for the 2022 season will be finalized at a later date.
8. Water Committee – No Report
9. Riparian Restoration Committee – Clark reported that the Committee's fourth report was sent to all owners where email addresses have been provided. That eblast reported that SVEA received a letter from attorney James Speck representing nine properties that oppose the riparian restoration plan, and that during a Special Board meeting held in executive session the Board asked that its attorney discuss the matter with Mr. Speck. This meeting will occur in October as schedules allow. Chuck Brockway, SVEA hydrologist, submitted a joint application to the Army Corps and IDWR for approval of a plan to restore Twin Creek. Chuck Brockway reports that the Army Corp has given its approval. The Idaho Department of Water Resources must either provide SVEA a stream alteration permit or a letter stating why the permit is not necessary. IDWR agents who review these application indicated to Chuck Brockway that initially there did not seem to be any reason for concern. The City of Sun Valley must approve the revegetation plan and stated it would not consider the application complete until SVEA submitted the following information:
 - A copy of the Stream Alteration Permit or letter from IDWR say it is not necessary.
 - A detailed narrative of the project that includes the timeline for the release of pond water and the installation of planting material.
 - A list of proposed planting materials.
 - Other technical documents.

SVEA experts are working to satisfy these requirements. In addition, SVEA Architectural Committee must approve the plan for removing the dikes and dams and restoring Twin Creek as a natural waterway. Chuck intends to call a special meeting of the Architectural Committee for this purpose after receiving the other necessary approval.

OTHER BUSINESS

EXECUTIVE SESSION – *Attorney Client Privileged*

Dave Galloway reported that the Board will move into executive session for the purpose of discussing employee matters and legal issues.

MOTION: Pete Petersen moved to approve adjourning into Executive Session for the purpose of discussing employee matters and legal issues, Clark seconded, and motion passes unanimously.

Upon concluding Executive Session discussions, ***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 proposed revised Sun Valley Elkhorn Policy Relating to Member Access to Corporate Documents to conform with existing Idaho law and with the addition that “the Association’s general manager, working with the executive committee and with the advice of legal counsel, is the primary person responsible for supervision and implementation of this policy.”, Pete seconded, and motion passes unanimously.

NOTE: The revised Member Access to Corporate Document Policy is attached to these minutes below.

ADJOURNMENT

With no further business Dave Galloway adjourned the meeting at 4:30 p.m.

Respectfully Submitted,

/s/ Tom Eklund

Tom Eklund, SVEA Secretary

SUN VALLEY ELKHORN ASSOCIATION
POLICY RELATING TO MEMBER ACCESS TO CORPORATE DOCUMENTS

PURPOSE

This policy is intended to satisfy the requirements of Idaho law and the reasonable needs of the Association and members of the Association with respect to accessing the books and records of the Association.

SCOPE

In accordance with Idaho Code § 30-30-1102, the following is the law regarding the books and records for the Association:

(1) Subject to ... [section 30-30-1103\(3\), Idaho Code¹](#), a member is entitled to inspect and copy, at a reasonable time and location specified by the Association, any of the records of the Association described in [section 30-30-1101\(5\), Idaho Code²](#), if the member gives the Association written notice or a written demand at least fifteen (15) business days before the date on which the member wishes to inspect and copy.

(2) Subject to paragraph (c) of this subsection, a member is entitled to inspect and copy, at a reasonable time and reasonable location specified by the Association, any of the following records of the corporation if the member meets the requirements of subsection (3) of this section and gives the Association written notice at least fifteen (15) business days before the date on which the member wishes to inspect and copy:

(a) Excerpts from any records required to be maintained under [section 30-30-1101\(1\), Idaho Code³](#), to the extent not subject to inspection under subsection (1) of this section;

(b) Accounting records of the Association, and

(c) Subject to [section 30-30-1104, Idaho Code⁴](#), the membership list.

(3) A member may inspect and copy the records identified in subsection (2) of this section only if:

¹ Idaho Code §30-30-1103 provides for the imposition of a reasonable charge to cover costs associated with copying the materials.

² Idaho Code §30-30-1101(5) includes: (a) articles of incorporation and all restatements or amendments currently in effect; (b) Bylaws and all restatements or amendments currently in effect; (c) Resolutions adopted by the board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members; (d) minutes of all meetings of members and records of all actions approved by members for the past three (3) years; and (e) all written communications to members generally within the last seven (7) years, including financial statements furnished for the past seven (7) years.

³ Idaho Code §30-30-1101(1) includes minutes of all meetings of its members and board of directors, a record of all actions taken by the members or directors without a meeting, and a record of all actions taken by committees of the board of directors.

⁴ Idaho Code §30-30-1104 limits the use of the membership list for purposes unrelated to a member's interest as a member in the association, including to solicit money or property, for any commercial purpose or to be sold or purchased by any person, without the consent of the board.

(a) *The member's demand is made in good faith and for a proper purpose reasonably related to the member's interest as a member of the Association;*

(b) *The member describes with reasonable particularity the purpose and the records the member desires to inspect;*

(c) *The records are directly connected with this purpose; and*

(d) *The Association shall determine whether a member's request is for a proper purpose.*

(4) The provisions of this section do not affect:

(a) The right of a member to inspect records under [section 30-30-509, Idaho Code](#)⁵, or, if the member is in litigation with the Association, to the same extent as any other litigant; or

(b) The board of directors may restrict or deny inspection of personnel and employment records and confidential attorney-client communications if it determines that such restriction or denial of access to said records or information is in the best interests of the Association.

AUTHORITY

The Association's general manager, working with the executive committee and with the advice of legal counsel, is the primary person responsible for supervision and implementation of this policy.

POLICY FOR OBTAINING OWNER MAILING LIST

To obtain an owner mailing list, a member must comply with Section 30-30-1102 and provide the complete and final version of the communication the member wishes to send to some or all of the owners. If, after review the information provided, the Association determines that the member has complied with Section 30-30-1102 and, upon payment by the member to the SVEA of \$100, a label run will be provided. The label run is to be used one-time only and only for the pre-approved communication. All mailing costs are the responsibility of the owner.

Email addresses will not be provided.

*Adopted 3-29-12
Revised 1-18-14
Revised 9-23-21*

⁵ Idaho Code §30-30-509 relates to a list of members entitled to vote at a membership meeting.

SUMMARY OF MOTIONS, DECISIONS & ACTION ITEMS

Motion or Decision	Page #
Motion to approve Financial Reports for June, July, and August 2021	2
Motion to approve 2021/22 Operational and Capital Budgets	3
Motion to approve to hold annual meeting virtually if needed.	3
Motion to approve Moving in and out of Executive Session	6
Motion to approve amended Member Access to Corporate Records Policy	7

ACTION ITEMS	
Who	Does What
Darlene	Post Approved Budgets to Company Website
Chuck	Determine and Report to Board Annual Meeting Venue when Decided
Chuck	Update Access to Corporate Records Policy in SVEA Electronic Records

