

**SUN VALLEY ELKHORN ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
Thursday, September 29, 2022**

Minutes

AGENDA BUSINESS ITEMS

1. Review and Approve Financial Reports – <i>June, July and August 2022</i>
2. Operational and Capital Budget Approval
3. Discuss Annual Meeting Information and Procedures
4. Consider Harker Center Pool Replacement Schedule Advancement
5. Consider Staff recommended changes to Violation Enforcement and ADC Policies
6. Consider Establishing Ad Hoc Village Core Parking Area Review Committee

IN ATTENDANCE

Board Members	Staff, Counsel & Others
Grady Burnett, President	Jim Laski, Legal Counsel - Zoom
Tom Eklund, Secretary	Chuck Williamson, Staff
Clark Furlow, Vice President - Phone	Jon White, Staff
Bob Diercks, Director	Darlene Kuehn, Staff
Marlene Fletcher, Director - Zoom	
Tom Kling, Director	
	Owners and Others:
Board Members - Not Present - None	See Attached – Attendance Information
Karen Curry, Treasurer	
Pete Petersen - Director	

CALL TO ORDER

President Grady Burnett called the meeting to order at 2:05 p.m.

ESTABLISHMENT OF A QUORUM

A quorum was established with 6 Board Member in attendance in person or by teleconference.

REPORT FROM SUN VALLEY MAYOR – Mayor Peter Hendricks was unavailable.

OWNERS ADDRESSING THE BOARD

Ranger Cook – 105 Grey Eagle – Expressed his concern about the asphalt sealcoating and the resulting overspray onto driveways and the schedule for cleanup. Grady explained that this was a City of Sun Valley project, and he recommended that Mr. Cook contact Bill Whitesell who oversees these types of projects for the City of Sun Valley.

Jeremy Chellin – 2797 Sunburst – Mr. Chellin asked about the agreed upon requirement for story poles to be installed prior to review and approval of the second phase of the Sunshine development. He also expressed concern about the potholes developing on the Sunburst/Indian Springs access road because of construction activities. Grady stated staff would follow up on his expressed concerns.

Lisa Wicklund – 3 Firewood – Mrs. Wicklund expressed concern that the water level of pond 5 was extremely low resulting in a very unsightly area. She reported that Pond 1 does not have a similar appearance and asked about releasing water from pond 1 to provide additional water through the system to

pond 5. Chuck explained that the ponds leak and at low water times of the year there is not enough water flow retained through the system to adequately reach pond 5 to keep it filled. Mrs. Wicklund requested an equitable distribution of the available water. Grady explained that SVEA has never regulated the water flow between ponds or made any headgate adjustment in the way Mrs. Wicklund is suggesting.

In addition, Mrs. Wicklund requested an update on the private road (Firewood) maintenance issues and repaving she raised with SVEA at a prior meeting. She expressed that bids have been received to repave the private street and they were willing to pay 1/3 of the expense. The neighbors have been uncooperative in agreeing to share this expense and Mrs. Wicklund requested that SVEA pursue the matter as a violation. Chuck reported that he and Sue had met with City officials, and they conveyed that the city may be able to assist in pursuing this matter given some existing ordinance addressing private road maintenance and fire access. Chuck stated that he or Sue would follow up on this matter and report back on the status.

Taan Robrahn – 3 Mock Orange – Sun Valley Fire Chief – Taan reported on the recent structure fire activity in the area. He requested that SVEA assign a wildfire mitigation group or person to review the Elkhorn area and begin the process of reducing the wildfire fuel throughout Elkhorn. Taan stated he is working on grants to assist in the fuel reduction effort; however, there will need to be a SVEA liaison to work with him in this process. Individual homes are not necessarily the focus at this time; however, Tann stated a community brush removal Green Cleanup Day program could be initiated where the Association might provide removal services one day a year to aid the owners. Grady informed those present that he has been hearing in his business about escalating insurance rates on individual homes given the present danger of fire in our area. Taan recommended owners interested in the fire departments recommended planting materials to stop by the Elkhorn station and he could show owners what is available. Taan expressed that he would like to concentrate efforts on the narrow corridors throughout Elkhorn to reduce fuel and improve fire control access.

Hollis French – 5 Aspen Lane – Mr. French expressed his support that SVEA sponsor a cleanup day for owners doing self-help on willow removal and have SVEA haul off debris.

Sam & Jordan Jadallah – Village Core Block 8 Property Developer – Sam explained that the residential project proposed is intended to be a rental development. They are planning to utilize sustainability construction methods. Jordan reviewed the proposed project design and site plan. The property was previously approved for construction of approximately 100,000 square feet and their project proposes to be approximately 25,000 square feet, which Jordan stated is much smaller and more fitting to the property location. The units will be modular construction which offers a shorter building timeframe and minimizes area disruption. The Jadallah's believe there is a significant demand for professional work housing which this project is intended to address. The units will be 3 or 4 bedroom with parking garages attached to the units. Units will be fully sprinkled for fire protection. Jordan explained that the current access easements are 30 and 40 feet. They are requesting permission for a small overlapping easement of the Badeyana easement allowing them the ability to move building C a little further away from the tennis courts. The small overlapping easement doesn't add any new requirements or have any restrictions which don't already exist. The proposed structure and driveways will remain contained within the property boundaries. Without the overlapping easement the structure can be placed closer to the tennis courts as there is sufficient room on the property. Sam stated that any changes made to the site plan at a later date would be cost prohibitive. Jordan stated that moving the building further away from the tennis courts seems to be the best solution for everyone. Jordan explained that they are seeking SVEA approval of an overlapping easement concept. With this general conceptual approval, they will proceed with their site plan design and prepare a legal easement description for SVEA and City review and approve. The second item Jordan presented was an Idaho State code requirement that there must be 6 feet of set back if a window is installed on the parking lot side of building C. This matter was tabled after brief discussion. Board member in general favored the overlapping easement concept as it is perceived to be in the best interest of SVEA.

FINANCIAL REPORT APPROVAL

Board members received the June, July and August 2022 financial statements prior to the meeting. With no corrections or additions, ***MOTION: Tom Eklund moved to approve the financial reports as presented, Bob Diercks seconded, and motion passes unanimously.***

BUSINESS

1. Consider Approval of the 2022/23 Operational and Capital Budgets

Board members received the proposed 2022/23 Operational and Capital Budgets approved by the Finance Committee prior to the meeting. Chuck reported that the Finance Committee proposed a \$60 annual operational dues increase and no increase of the capital reserve collections. He explained that it has been 8 years since the last operational dues increase. Staff previously anticipated that the current operational dues amount would be sufficient for a few more years before an increase would be required; however, inflationary impacts have resulted in the necessity for an increase at this time.

MOTION: Marlene moved to approve the \$60 annual operational dues increase as recommended by the Finance Committee, Tom Kling seconded, and motion was unanimously approved.

MOTION: Bob moved to approve the 2022/23 operational and capital budget as recommended by the Finance Committee, Tom Kling seconded, and motion was unanimously approved.

2. Discuss Annual Meeting Information

- a. ***Board Application Deadline*** – Chuck announced that applications for the SVEA Board must be submitted no later than October 1, 2022. Chuck reported that to date he had received 4 applications which included Board member Tom Eklund who is up for re-election.
- b. ***Annual Meeting Format and Venue*** – Chuck requested feedback from those present about transitioning the annual meeting to a Zoom conference only format. The advantages being that non-resident owners can easily attend the annual meeting and that the cost for a meeting room is kept at a minimum. If staff were to reserve a room at a Sun Valley Company venue capable of handling a large crowd with internet service, the cost would be approximately \$2,000. After discussion, those present expressed that they would prefer to have owners present with the social period before the meeting to meet and talk with neighbors. It was recommended that SVEA approach the Ketchum Fire Department about using their new facilities for meeting and internet access. After discussion, Staff was directed to reach out to the Ketchum Fire Department regarding meeting room availability.
- c. ***Electronic Voting*** – Staff proposed the use of electronic voting and proxy gathering for the 2022 annual meeting. Chuck explained that staff struggles every year obtaining enough proxies for a quorum. Chuck reported the cost would be \$1,335 for electronic voting and proxy gathering services from an online vendor. If 25% of the owners respond to electronic voting, it would pay for itself in reduced mailing and annual meeting information production costs while potentially increasing participation of the membership. Owners that do not respond electronically for the annual meeting proxy solicitation and board election, would be sent a hard copy through the US Mail.

MOTION: Tom Kling moved to approve the use of electronic voting in combination with paper ballots and proxies for the 2022 annual meeting at a cost of \$1,335, Tom Eklund seconded, and motion passes unanimously.

3. Consider Approval of Revised Harker Pool Replacement Schedule – Chuck explained that the Harker pool continues to leak between 5,000 and 10,000 gallons of water per day. Prior to opening the pool this past summer season, staff spent approximately \$25,000 on leak repairs which proved to be ineffective. He stated he could not recommend spending any additional monies trying to find and repair leaks. The Harker pool is 40 years old. The pool replacement was originally scheduled to occur in fiscal year 2025/26.

He requested Board approval to begin the process for pool replacement in fiscal year 2023/24. The plan would be to proceed with normal pool operations next summer and closing the Harker pool in mid-August and begin demolition. The goal would be to perform all demolition and rebuild the pool shell prior to the 2023/24 winter season. The pool would be completed in the summer of 2024 with a scheduled opening date of July 4, 2024. To achieve this construction schedule, Chuck explained it would require input from the Recreation Committee on pool design by December 2022. After the pool design is complete, bids can be received by mid-January 2023, in preparation for review by the Finance Committee. The goal would be to have a design and funding plan that can be reviewed and approved by the Board during the March 2023 Board meeting. Those present favored staff moving ahead with design and pricing information for Board review and the possible advancement of the rebuild schedule.

4. Consider Approval of Staff Recommended Violation and ADC Policy Changes –

Violation Enforcement Policy Changes - Chuck explained the violation enforcement policy has provisions that when a violation is observed a notification letter is sent followed up by a certified demand letter for non-compliance. Sue is requesting that an initial email message be sent to owners prior to proceeding with the current violation enforcement policy requirements. This could potentially delay enforcement action by a week; however, many of the violations can easily be cured by a simple message to the property owner before an official violation notice is required.

After discussion, **MOTION: Tom Kling moved to approve the use of email messages as an initial violation notification method in the violation enforcement process, Bob Diercks seconded, and motion was unanimously approved.**

ADC Policy Changes – Chuck asked that this matter be tabled at this time. He will request that Sue Ahern provide a report on the current procedures and the proposed changes so the Board can make an informed decision. The matter was tabled.

5. Consider Ad Hoc Committee – Village Core Parking Area Review Committee –

Staff requested that the Board consider appointing an Ad Hoc committee to review the Village core parking area. With the development of the Jadallah property, approximately 20 to 25 parking spaces will no longer be available. The Village core parking area is currently owned by the Elkhorn Springs Master Association. Chuck reported that Bob Diercks, Tom Kling and he attended the Elkhorn Springs Master Association annual meeting where the owners expressed a desire for SVEA to become involved in the parking area management. Currently SVEA has an easement agreement that requires no direct expense incurred for use of the parking area for accessing the pools and racquet sports facilities. Staff would like SVEA to establish a committee to reach out and communicate with the Elkhorn Springs Master Association and the Sun Valley Company to resolve how the parking area will be managed and maintained into the future. After discussion, **MOTION: Clark moved to approve the forming of the Ad Hoc Village Parking Area Review Committee with Bob Diercks and Tom Kling as co-chairs, Bob Diercks seconded, and motion was unanimously approved.**

STAFF REPORTS

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

GM Report

Twin Creek Ponds - The Twin Creek ponds appeared to have responded well to the chemical algae control treatments. Staff monitored the pond condition throughout the summer months and found some small signs of algae growth having occurred during the low water flow late summer months. However, the need for physical removal of algae on the pond surfaces, usually required in the late summer months, was not required this year to adequately maintain the pond appearance. Pond 2 was a bit of an exception with a mat of aquatic weeds rising to the pond surface. All Seasons proposes to apply aquatic weed abatement chemicals after the early spring runoff in 2023. Previously, Chris Wilhelm, suggested doing weed abatement in the fall of 2022; however, he has since reconsidered and rescheduled for the spring where he believes treatment may be more effective. Chris Wilhelm

has submitted a bid proposal for the 2022/23 pond chemical treatment program totaling \$5,989.45, which staff will approve if the 2022/23 operational budget is accepted by the Board. The 2022/23 annual budget proposed for all pond maintenance activity is \$8,200. SVEA Engineer, Chuck Brockway, continues to provide water flow information and has one additional late fall measurement scheduled when water flows are at the lowest levels of the year.

Operations Manager Report
AMENITY OPERATIONS

Harker Pool – Pool was closed for season Aug 28th. Pool furniture has been placed in storage, and pool has been drained and winterized. Two replacement umbrellas have been ordered.

Village Pool – Closed for season Sept 18th

New pavers and rock landscaping was installed outside the Village pool fencing which completes the pool renovation project.

The pool will be circulating and heated throughout the winter season. Lane lines and furniture will be stored for winter. Covers will be placed on pool in October. Boilers will be serviced this fall prior to opening the hot tub for the winter season on Thanksgiving weekend.

Ponds/Waterways - Surface aerator in the village pond will be removed for the winter. Subsurface aerators will be kept operational this winter for fish survival. See GM report for Twin Creeks Ponds.

Harker Park – Park umbrellas, volleyball net and shuffleboard will be stored for winter. New granite memorial plaques have been purchased and placed in sundial. Splash pad will be drained and winterized in October. New fencing around park has been completed.

Racquet Sports –The Har-Tru courts are currently operational but are being monitored for required closure due to colder temperatures. A second shoe cleaner was installed at the clay court access gates. New rock landscaping was installed in front of pickleball courts to complete the landscaping project. Harker and Village Tennis windscreens will be flipped up and secured to fencing for protection. Harker shade canopies will be removed and stored with the tennis nets. Tennis / Pickleball nets and furniture at the Village facility will be stored for winter in October. PB Sound padding will be removed from fencing and stored. Racquet Sports Shop will be winterized in October.

ADC Manager
ADC & Compliance Reports

Project Type	Full ADC Committee Approval Third Quarter
New Residences	2
Landscape revisions	1
Remodel	2
Enclose deck	1
Add porch	1
Project Type	Administrative Approval Second Quarter
Tree removal	6
Windows/doors	1
Fence	2

Deck extension	3
Patio	1
Reroof	1
Replace lighting entire sub association	1
Add trees	2
Garage Door	1
Add firepit	1
Repaint	3
No app	2

Sunshine Townhomes Phase 2 has been submitted. The second (and final) phase will add 23 units for a total of 42. This project will be on the October ADC agenda for review. No further information has been received for 103 Village Way.

Restriction Compliance

Infraction	Total
Trash cans	4
Recycle bins	2
Trailer	1
Unsightly lawn	2
Boat	1
Pop up camper	1
Unlicensed vehicle	1

Finance Directors Report

Dues Payments Overview

- As of September 21, 2022, SVEA has received a total of \$192,000 for Rental Amenity Access Dues.
 - To date five (5) owners are 90+ days overdue. Per board direction all five accounts have had their amenity cards revoked.
 - In addition, two (2) owners are 30-60 days past due. One has paid part of the amount and plans to complete payment in October.
- Total income for Access Fees for the pool and racquet sports entries stand at \$17,040 which is \$3,115 more than last year at this time.
- Total Income for Set-up fees is \$9,400
- Currently, the number of owners over 60 days delinquent for their regular dues stands at (12) twelve which is moderately higher than normal.

Operational & Capital Overview

- As of August 31, 2021
 - The Capital Reserve asset replacement fund balance totaled \$566,383.
 - The current principal due on the Zions loan is \$1,307,216
 - The Operational Account cash and investments balance totaled \$742,875

COMMITTEE REPORTS

1. **Communications Committee** – Tom Kling thanked staff for their work on the amenity survey and preparing it for online and hard copy distribution. Tom reported on owner comments. There were over 1000 responses received. The demographic and survey question results are being compiled and will be reported at another time. He reported a very large number of owners have pets, mostly dogs. The most dominant recreational activity is skiing followed by swimming, use of trail system and bike path for hiking and biking. Pickleball is very popular at 40% respondents indicating they play or intend to play with tennis coming in at 30% of the respondents. At number 6 on the list is cooking classes. In the comments

received for desired amenities water bottle stations at all the amenities is requested. An exercise facility is desired and mentioned by many of those commenting. A dog park had mixed results with half for and half against. There were requests for better pool furniture, allowing the use of floaties in the pools and a larger hot tub. About 80% of the owners use some form of electronic banking or autopay method to pay dues. About 25% of the respondents were not deterred by fees associated with credit cards use. The interest in the ponds and the related issues was very small. An overwhelming majority of the respondents were happy with staff and board and the way things are being managed. Longer hours and more courts requested for pickleball. Cross country trails on the golf course were requested; however, that property is owned by Sun Valley Company who in the past expressed concerned about course damage and has denied this request. Some comments received expressed that the dues and amenity fees were too low. Tom concluded by stating a full summary will be provided to the Board when the information is compiled.

2. **Executive Committee** – No Report.
3. **Finance/Long Range Planning Committee** – Chuck reported that during the finance committee meeting it was suggested by Clark Furlow that the Board consider the transfer of \$400,000 from operations to capital reserve in preparation for the replacement of the Harker pool. There is currently over \$700,000 in operational cash on hand. A transfer of \$400,000 would continue to maintain sufficient funds in operations for any budget overages which may occur in 2022/23. After discussion, ***MOTION: Clark moved to approve the transfer of \$400,000 from operations cash surplus to capital reserves, Tom Eklund seconded, and motion passes unanimously.***
4. **Governance Committee** - Bob Diercks reported the Governance Committee approved the electronic voting and interviewed two extremely well qualified candidates to fill the vacancy on the Board. The governance committee recommendation will be discussed in executive session.
5. **Recreation Committee** – No Report
6. **Sub Association Liaison Committee** – Chuck reported that it was a very productive summer. The sub-associations reached out to SVEA to attend and report during their annual meetings. There were some associations where SVEA was invited for the first time to attend and report during their meeting.
7. **Racquet Sports** – Tom Eklund reported that pickleball is experiencing overwhelming use and the way things are going additional courts may be needed. Chuck reported that courts 3 and 4, the original Har-Tru courts are starting to show signs of algae growth and discoloration of the court surfaces. This is common with Har-Tru courts and is a sign that the courts may need leveling and reconditioning. \$50,000 has been budgeted for this reconditioning; however, bids received are at \$160,000+ to laser level and apply new Har-Tru material. Chuck stated he has a call into Fastdry Courts to get an explanation of the unexpectedly high cost which is similar to new court construction costs. At this time the \$50,000 reconditioning budget amount will remain in the capital budget; however, it is undetermined at this time if the work will be done in 2022/23.
8. **Water Committee** – No Report
9. **Riparian Restoration Committee** – Clark reported that Chuck Brockway will complete the water flow measurements requested by SVEA and will submit a final report. Clark stated he intends to gather the information and prepare a summary report of the pond information so that future Boards will have reference material available when reviewing this matter.

OTHER BUSINESS

None

EXECUTIVE SESSION

MOTION: Tom Eklund moved to approve moving into executive session under Bylaws Section 12 and Idaho code 55-3204, Tom Kling seconded, motion was unanimously approved. Meeting convened into executive session at 3:50 p.m.

MOTION: Clark Furlow moved to approve moving back into General Session, Marlene Fletcher seconded, and the motion passes unanimously. Meeting reconvened into General Session at 4:00 p.m.

Action Results from Executive Session:

MOTION: Bob Diercks moved to approve the appointment of Kathy Large to fill the vacancy on the Board and fulfill the term of office vacated by Laurie Fitzpatrick, Tom Eklund seconded, and motion passes unanimously.

ADJOURNMENT

President Grady Burnett adjourned the meeting at 4:05 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 June, July and August 2022		3
Motion to approve Dues Increase and Operational & Capital Budgets		3
Motion to approve use of Electronic Voting		3
Motion to approve use of Email Notification in the Violation Process		4
Motion to Approve Ad Hoc Village Parking Review Committee		4
Motion to Approve transfer of \$400,000 from Operations to Capital Reserves		7
Motion to Approve Appointment of Kathy Large to fill Board Vacancy		8
Who	Does What	
Chuck/Sue	Follow up with story poles and pothole in access road – Sunshine Development	
Chuck/Sue	Work with Lisa Wicklund on Roadway Maintenance Agreement	
Chuck/Grady	Willow review for fire department throughout Elkhorn?	
Chuck	Set up Nominating Committee Meeting	
Chuck	Find Annual Meeting Venue – Contact Ketchum Fire and Veterans Hall	
Chuck	Prepare for Electronic Voting	
Chuck/Jon/Sue	Prepare for Harker Pool Replacement	
Sue	Prepare ADC Policy Change Report for Board Review	
Chuck/Bob/Tom	Village Parking Review Committee – Meet with Elkhorn Springs Master Assn.	
Chuck/Darlene	Tabulate Survey Results	
Chuck/Darlene	Transfer \$400,000 to Capital Reserves	
Chuck/Jon	Review Har-Tru courts refurbishing options	
Chuck/Clark	Compile Twin Creeks Summary Report	