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*President Dave Galloway  
Enjoys the Fishing Derby*

Welcome to summer in Sun Valley and in our Elkhorn neighborhood. Day after day of beautiful warm weather, tempered so far by only a little smoke from distant fires, has encouraged outdoor activities. Hiking, biking, tennis, pickleball and the pool are all in full swing. The highlight of the summer, so far, has been the pond fishing derby. After the need to cancel last year, the fishing derby rebounded with more participation than ever, and smiles a mile wide on every one's faces.

Last year during the Covid lockdown, it was surprising how much use our Elkhorn amenities received, with record attendance day after day. So far this summer, with the good weather, we have blown way beyond last year's numbers. Tennis play is 45% above the amount of play at this time last year, and pickleball is up over 65%! Without the Covid limits of last year, the Harker pool is also getting

## Presidents Message

more use than ever before. As home sales in our neighborhood continue at record high levels, lots of new owners are arriving. They are active, bring a wonderful energy along with them, and value the amenities our community provides.

The Village pool, that was scheduled to open on July 4th, has been delayed until the end of the month due to a shortage of concrete, and delayed delivery of mechanical parts. Driving around Elkhorn, or for that matter, anywhere in the valley, the overheated construction environment is clearly obvious with building activity visible everywhere. Our Elkhorn team has done an amazing job moving the Village pool project forward as fast as they have under the difficult current construction situation. They did succeed in getting the Harker tennis courts completed on time and under budget for use this summer. Please, stop in and give our staff a big thank you, and let them know how much we appreciate their efforts. We are very lucky to have such a talented group working on our behalf.

I also want to cover a new

item, the work that the governance committee has done. They have re-established a nominating committee to interview board candidates and help identify the best possible individuals to join your Elkhorn board of directors. I would encourage any of you, who have an interest, to apply for a seat on the board. By re-establishing the nominating committee process, if you choose to be a candidate, you will have a chance to meet current and past board members and get a good feel for the work the board does. After the interview process, the board will be better able to vote the proxies entrusted to them and present the top candidates to the membership.

In closing, all of your board and staff hope everyone in Elkhorn has an active, safe and enjoyable summer. Please, take advantage of all that our community has to offer.

With the hot, dry weather conditions, please stay hydrated as you enjoy the great outdoors.



Sincerely,  
*Dave Galloway*  
President

“There’s no radar image for a water crisis. No storm surges, no debris fields - the Tap-Out is as silent as cancer. There’s nothing to see, and so the news is treating it like a sidebar.”  
— Jarrod Shusterman,

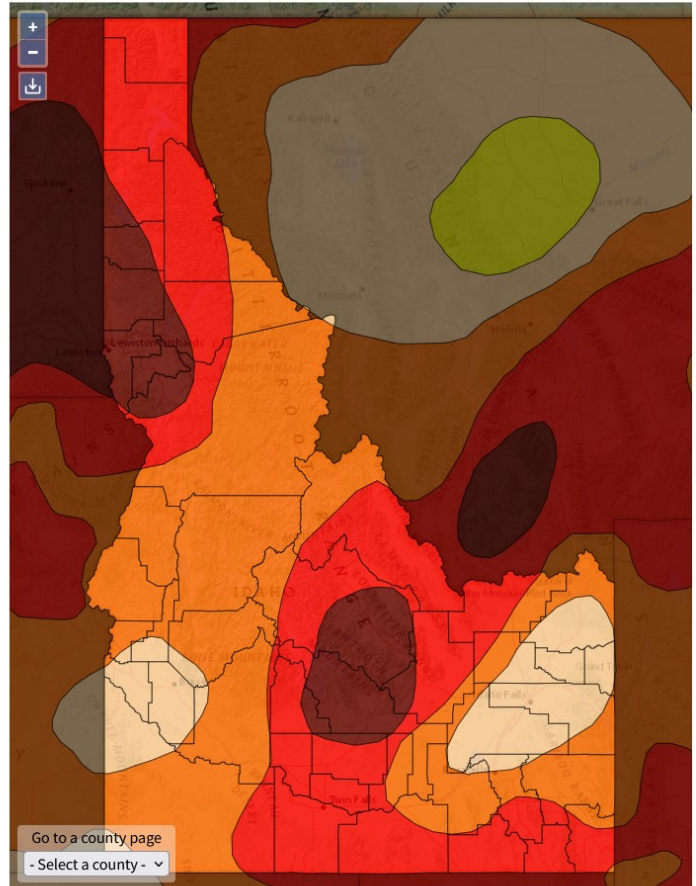
[Current](#) [Last Week](#) [Last Month](#)

The U.S. Drought Monitor (USDM) is updated each Thursday to show the location and intensity of drought across the country. This map shows drought conditions across Idaho using a five-category system, from Abnormally Dry (D0) conditions to Exceptional Drought (D4). The USDM is a joint effort of the National Drought Mitigation Center, USDA, and NOAA. [Learn more.](#)

The following state-specific drought impacts were compiled by the [National Drought Mitigation Center](#). While these impacts are not exhaustive, they can help provide a clearer picture of drought in Idaho.

	<p><b>D0 - Abnormally Dry</b></p> <ul style="list-style-type: none"> <li>Irrigation demand is higher than normal</li> <li>Ski areas open later; visitation is lower; snowpack is lower</li> </ul>	100.0% of ID
	<p><b>D1 - Moderate Drought</b></p> <ul style="list-style-type: none"> <li>Dryland hay and grain crop yields are low; other crops and pasture are in poor condition</li> <li>Well levels decline; reservoir levels are low; water shortages occur; water conservation programs are in place</li> <li>Fire risk is elevated; fires spread easily</li> </ul>	100.0% of ID
	<p><b>D2 - Severe Drought</b></p> <ul style="list-style-type: none"> <li>Grazing season is shortened; vegetation is sparse; crops are left unharvested; feedlots are not profitable</li> <li>River levels are very low</li> <li>Hydroelectric power is down; irrigation water allotments are significantly curtailed</li> </ul>	87.9% of ID
	<p><b>D3 - Extreme Drought</b></p> <ul style="list-style-type: none"> <li>Dryland farms are left fallow; forage is limited; cattle herds are cut</li> <li>Spring snowpack is very low</li> <li>Number of fires increase</li> </ul>	46.4% of ID
	<p><b>D4 - Exceptional Drought</b></p> <ul style="list-style-type: none"> <li>Fire danger is high</li> <li>Hydropower generation is affected; power companies may raise rates and/or purchase alternative power</li> <li>Trees are stressed and threatened by insect infestation; fish and wildlife populations decrease; habitats are degraded</li> </ul>	11.0% of ID

Source(s): [NDMC](#), [NOAA](#), [USDA](#)



Updates Weekly - 07/20/21

## Drought Conditions Exceptional in Blaine County

The drought in the Wood River Valley has gotten severe and Sun Valley Water and Sewer has requested voluntary cutbacks. Please consider reducing your irrigation water consumption by at least 25% and water only according to the every other day schedule and only after 6 p.m. Please do not water during the daytime hours of 10:00 a.m. to 6:00 p.m.

The Mountain Express reports that the National Oceanic and Atmospheric Administration (NOAA) has upgraded Blaine County’s drought status from “extreme” to “exceptional” its worst drought classification. The Bigwood River flow rate is well below half its normal volume for this time of year.

In Elkhorn, you only need to look to Independence Creek which stops flowing just west of the Independence Creek Nature Preserve, and Twin Creeks has stopped flowing from the Juniper Road intersection for about 1/4 mile stretch to the confluence of Elkhorn Creek. Elkhorn Creek flows along Elkhorn Road and is currently the primary water source for the Lane Ranch pond and the recently installed fish ladder.

We hope everyone will join SVEA in reducing their irrigation consumption by at least 25%. Please talk to your landscape contractor about reducing water usage today. Thank you all for your cooperation.

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# Village Pool and Hot Tub Opening Soon

The Village Pool and Hot Tub construction has been completed. At the time of writing this article we have a small amount of heating system work to complete and the pool has been filled with water and is circulating. While it appears ready for use, we have about one week of brushing and chemical balancing before we can open safely for owner and guest usage. Our revised opening date of July 31st seems to be on track.

We thank the contractors for all their efforts to obtain materials and labor to complete this project.

Thank you for your patience and understanding during the unavoidable delays

We look forward to seeing you soon at your new Village pool and hot tub.



## Independence Creek

Water flows stops a short distance downstream from the Independence Creek Preserve in Elkhorn.



## Twin Creeks

Water has stopped flowing from Juniper Road intersection to the Elkhorn Creek confluence.

# SVEA Financial Report

## Balance Sheet Snapshot

The Board of Directors have received and reviewed all financial statements as of May 31, 2021.

The SVEA fiscal year began on Nov. 1, 2020 and ends on October 31, 2021

The Capital Reserve asset replacement fund balance as of May 31, totaled **\$1,082,248**

The Operational Account cash and investments balance as of May 31, totaled **\$913,555**

The Property Owner Accounts Receivable balance as of May 31, was 118,321.05 the number of accounts **90** days or more delinquent stood at **0** as of May 31, 2021.

There were no outstanding liabilities as of March 31, 2020

Operations	YTD Actual	YTD Budget	Difference
Dues and Assessments	\$684,431	\$580,870	\$103,561 Over
Expenses	(\$396,941)	(\$464,415)	\$67,474 Under

For the seven months ending May 31, 2021 revenues are significantly higher than expected and expenses are less than anticipated. The 2<sup>nd</sup> half dues and assessments billing was sent to all property owners in April with payment due by May 1. Expenses to date \$396,941 represent approximately 40% of the total annual budget. Complete financial information available online at [www.elkhorninsunvalley.com](http://www.elkhorninsunvalley.com).

## NEW DUES AND FEES STARTING IN 2021



As of June 1, 2021 the Board of Directors approved and implemented the following dues and fees:

- 1) Rental Amenity Access Dues: All rental properties in Elkhorn are required to pay \$600 annually for tenant and guest access to amenities.
- 2) Amenity Access Fee: A \$5 amenity access fee for all guests not residing in Elkhorn that are accompanied by a valid cardholder or participating in an SVEA program or clinic. If you do not have a valid amenity card when accessing the amenities you are required to pay \$5.00. *(Children under 5 excepted)*
- 3) Property Setup Fee: A property transfer setup fee of \$100 is required on all property sales and transfers.
- 4) Appeals Fee: The appeals fee has been increased to \$2,000 to offset the cost of ADC and Violation appeals to the Board of Directors and the legal expenses incurred.

*All funds collected from the Rental Amenity Access Dues are placed in capital reserves for the long-term replacement of amenity assets. All other fees described above are used to offset operational expenses.*



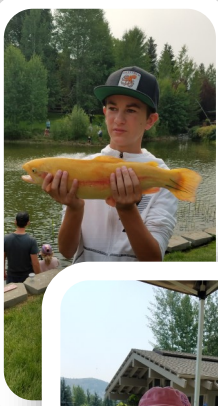
## Elkhorn Quick Hits and Updates

**Board Reinstates Nominating Committee** - The SVEA Board of Directors held their summer Board meeting on July 9th, at which time they approved the reinstatement of the Nominating Committee to assist in the Board election process. The Nominating Committee will be comprised of a seven (7) member panel. The seven (7) member panel will consist of three (3) past board members, two (2) current board members and two (2) at large owners. Property owners and past board members wishing to serve on the Nominating Committee are encouraged to submit their names and a random drawing will be held to select the committee members from each qualifying group. The Board would also like to encourage those interested in serving on the Board to submit their names to the administrative office and you will be contacted in October to schedule an interview with the Nominating Committee. Board Member applications can be found on our website at [www.elkhorninsunvalley.com](http://www.elkhorninsunvalley.com).

**Board Approves Amenity Fee Policy Change** - The Board approved a change to the amenity access policies. Children under the age of five (5), accompanied by a parent or guardian with a valid amenity card, do not need an amenity card to access the recreational facilities. Children five (5) and over must have a card to avoid paying the \$5 amenity guest fee. In addition, children of long-term tenants (30+ days or more) who reside in Elkhorn full-time, may receive an amenity card upon payment of the Rental Amenity Access Dues by the property owner.

**Board to Review Conflicts in Subdivision Documents** - The Board in the coming months will move forward on a comprehensive review of the Architectural Design Review process. The governing documents in many of the subdivisions in Elkhorn are out of date. Their 40 year old subdivision documents don't consider current architectural trends and evolving building materials. Roof slopes, specified exterior materials, building height, etc. described in the subdivision documents are often in conflict with the SVEA Master Declarations and the City of Sun Valley building ordinances.

## Summer Programs and Events a Big Success!



Annie White catches the Golden Trout (*held by her brother pictured here*) to win the Kids Fishing Derby on July 10, 2021. The winning fish was 18 1/2 inches in length! Annie took the top prize coming away with a new fishing rod. Congratulations!

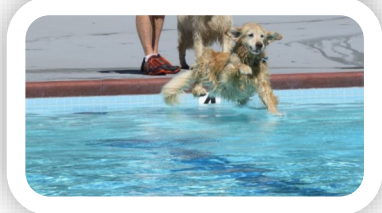
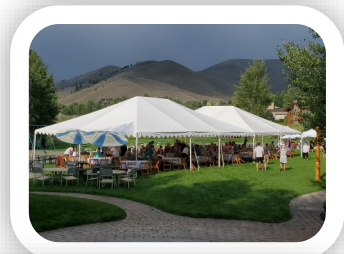
Our youngest Elkhorn members have been taking advantage of crafts by the pool, archery and pool games. If you haven't had a chance to join the fun there are still opportunities to be had with more archery, pool games and crafts coming in August. Check the online schedule at [www.elkhorninsunvalley.com](http://www.elkhorninsunvalley.com)



The annual owners picnic started off on shaky ground with threatening weather, however, the skies cleared and event was enjoyed by 350 of our Elkhorn owners on July 21st.

The 2nd Annual Block party will be held Friday August 6th starting at 5:30 p.m. There will be food, fun, music and games. Signup early, space is limited!

SVEA wraps up the summer programming season with the "Wet Dog Pool Festival" on September 7th. Register online at [www.elkhorninsunvalley.com](http://www.elkhorninsunvalley.com).



# Rental Amenity Access Dues

## FAQ's



*Many of our Elkhorn owners have often asked the following questions with regard to the Rental Amenity Access Dues. We hope the following will help answer the questions you may have. Thank You!*

**SVEA imposes Rental Amenity Access Fee in 2021.**

**Rental Amenity Access Fees to be used for the long term care and replacement of SVEA recreational amenities.**

### **What prompted the Board to consider revisions to the current revenue structure of SVEA?**

The Board commissioned a capital study completed by a third-party reserve specialist firm. The study was necessary given the aging amenities, the need for realistic replacement timelines and accurate cost estimates. The Village and Harker tennis amenities were scheduled and budgeted for replacement in 2020/21 utilizing capital funds accumulated over many years.

The Village Pool replacement was anticipated in 2019/20 to be on a 5 to 8 years reconstruction schedule. However, reconstruction was expedited due to severe winter and possible earthquake damages suffered in March 2020. Having depleted capital funds as a result of tennis amenity replacement, the Board authorized securing a \$1.5 million, 10 year fixed rate loan at 2.75% to be repaid from current capital reserve collections.

The third-party capital reserve study identified that in addition to the Village pool the Harker Center pool has reached the end of its useful life of 40 years. The Harker pool currently suffers severe leaking and is scheduled for replacement in the next 3 to 5 years. It is anticipated the replacement costs will be similar to the Village at approximately 1.5 million plus inflationary increases.

The Board expressed concern that a simple capital assessment, or a substantial dues increase to meet future monetary requirements, would place an excessive hardship on many of the local working-class Association members. In addition, the Board concluded rental property usage of the amenities is unfairly disproportionate to those that don't rent, however, the full burden of amenity replacement falls onto all property owners equally. These concerns and disparities prompted the Board to review available funding alternatives.

In response to the impending Harker pool replacement, the Board established a "Revenues Analysis Committee". The purpose of the committee was to review administrative procedures, amenity operations and amenity usage for the purpose of analyzing potential revenue alternatives to supplement the funding of long-term amenity replacement. The committee held a series of meetings and completed the following:

1. Comprehensive data analysis for amenity usage and user types.
2. Comprehensive review of administrative operations.
3. Comprehensive review of amenity management software functions and capabilities.
4. Comprehensive review of alternatives for monetizing amenity operations and administrative efficiencies.
5. Prepare and present recommendations for Board consideration.

In March 2021, the SVEA Board approved the following Committee recommendations:

1. All rental properties will be charged \$600 annually in additional member dues to offset direct usage impact and management services associated with recreational amenities.
2. All non-residing Elkhorn Guests will be charged a \$5.00 amenity entrance fee.
3. All property sales will be charged a \$100 property setup fee.
4. An increase to \$2000 the fee for Board appeals of violations and ADC Rulings. Charges approved are consistent with the actual costs incurred in legal fees in these types of actions.

**CONTINUED (Page 7)**

## Rental Amenity Access Dues—FAQ's Cont.

**Why didn't the Owners get a chance to vote on this policy change?** In accordance with the Master Declarations, it is a Board responsibility to manage the Association finances and amenities on behalf of the Elkhorn Membership. It is believed a vote of the membership would overwhelmingly favor implementing the Rental Amenity Access Dues over special assessing or increasing quarterly assessments to entirely fund amenity asset replacement.

**Does the Board have the legal authority to establish dues for rental property owners in addition to the membership assessments?** Yes, the Board has authority to charge a reasonable dues amount subject to the Master Declarations. The funds collected are identified for the purpose of amenity replacement and long-term maintenance and deposited to the capital reserves for which rental activity directly impacts.

**I only rent my unit a couple times a year; I only rent to family members; I only rent to close friends; etc. do I still have to pay \$600?** Yes, there are too many variables and individual circumstances to develop differing rules. In addition, rental circumstances are constantly evolving for individual rental properties. To be fair to everyone, SVEA treats all rental properties the same without exceptions.

**Why not charge users directly who use the amenities an access fee?** There are too many different types of users, i.e. children of property owners, grandchildren, other family members, significant others, different size households, guests staying in Elkhorn, guests not staying in Elkhorn, Corporations and LLC's, Owners not on deed, etc., where do we draw the line for who can access amenities without paying a fee and how do you manage it? The Revenue Analysis Committee reviewed charging everyone, other than the listed deed property owners, and they determined this type of change would be far more disruptive to the community and create collection and accounting issues beyond SVEA's current software and administrative capabilities.

**Why are Long-term Rentals and Short-term Rentals considered the same and charged \$600, when long-term rentals have a lower impact on amenities than short-term rental activity?** Given all the different variable rental conditions and activities, the Board determined that all rental properties should be treated in the same equitable manner. Long-term rental can potentially have daily impact and short-term rental properties can have intermittent heavy impact, this would be impossible to monitor and make a distinction between the rental types.

**My rental unit only has one bedroom, why do I have to pay the same as a 3 bedroom rental?** Again, there is no distinction between rental properties. Realistically, the one bedroom could be rented four times as much as a 3-bedroom rental. This is impossible to monitor with any degree of accuracy and constantly evolves.

**We use our property 3 months a year, why can't we pay \$50 on a monthly basis whenever we rent as opposed to \$600 annually?** Again, this would be very difficult and time consuming to manage. Rental property owners would move in and out of the rental program on moment's notice to avoid or minimize the monthly fee.

**Do we really need to have an amenity card for our infant when we bring them to the pool?** No, the Board amended the policy in July 2021, for children accompanied by their parents or guardians. Children under 5 do not need an amenity card when accompanied by an adult with a valid amenity card. Children 5 and over need an amenity card for parents or guardians to avoid being charged a \$5 guest fee for each child.

**I rent long-term; do I have to pay \$5 every time I bring my resident children to the pool?** Depends, if the child is residing full time in Elkhorn with their parents, they may receive an amenity pass. If the child is a guest and do not live full time in Elkhorn they must pay the \$5 guest fee to access amenities.

**Why can't staff look up my children's name if they forget their amenity card?** Staff has a policy that we will look up the deed owners within the amenity cards system; however, looking up family member names creates a situation where it may take a significant amount of time if the card is expired, the card names are mis-spelled, the children give the wrong account information, or they are just asking to avoid the \$5 fee when they know they should pay, etc. It is a simple rule for staff to adhere to, **"if you don't have a valid amenity card, SVEA expects you to pay \$5 to access the amenities."** Staff has made it very easy for owners and resident family members to receive an amenity card or guest pass by simply calling the office and staff will either print off the cards for owners to pick up, or, email the cards to the property owner to maintain on their cell phone.

**Are these new amenity dues and fees permanent?** Yes, the new dues and fees will be ongoing unless the Board decides to change the policy sometime in the future. The Board will be reviewing all dues and fees as part of the budgeting process on an annual basis. Adjustment to the dollar amounts and policy refinements will be at the Board's discretion. Owners will be kept informed in regard to all amenity access policy changes and updates.

# Sun Valley Elkhorn Association

## FUTURE EVENTS

Board, Membership, and Sub-Association Presidents' Meetings

Date	Event or Meeting	Location
Thursday, Sept. 23, 2021	Board Meeting (2:00 pm)	Harker Center
Friday, January 7, 2022	Board Meeting (2:00 pm)	Harker Center
Friday, January 7, 2022	Association Presidents' Meeting (4:30 pm)	Harker Center
Saturday, January 8, 2022	Annual Membership Meeting (3:00 pm)	TBD
Saturday, January 8, 2022	Board Meeting (After Annual Meeting)	TBD

