

**SUN VALLEY ELKHORN ASSOCIATION  
BOARD MEETING MINUTES  
Friday, September 23, 2011 – 9:00 a.m.  
Harker Center**

**AGENDA BUSINESS ITEMS**

1. Report on Amenity Master Plan (John Gaeddert to attend)
2. Ed Lawson's Report on Disbrow Lawsuit (Executive Session)
3. Consider 2012 Tennis Agreement Offer to USPTS
4. Consider Adoption of 2012 401(k) Corporate Resolution
5. Board Member Candidates for Election
6. Consider Chris & Kathy Jennings' Letter of August 9 <sup>th</sup> Re: the Twin Creeks Ponds
7. Update from Pat McMahon, SV Water & Sewer, on Reuse Water Supply
8. Review and Approve 2011-12 Budgets

**IN ATTENDANCE**

<b>Board Members</b>	<b>Staff, Counsel &amp; Others</b>
Jim Fletcher (via phone until 1 p.m.)	Marlene Lowry
Pam Bailey	Darlene Kuehn
Pete Petersen	Jan Kaas
David Taylor	Chuck Williamson
Margaret Walker	Ed Lawson (until 12:00 p.m.)
	John Gaeddert (Business Item #2)
	Wayne Willich, Nils Ribi & Dewayne Briscoe (City report)
	Owners per attached sign-in sheet (partial)

**ABSENT**

<b>Board Members</b>
Sid Alpert
Cris Thiessen

**CALL TO ORDER**

Vice-President Pam Bailey called the meeting to order at 9:00 a.m.

**ESTABLISHMENT OF A QUORUM**

A quorum was established with five board members in attendance.

Pam Bailey welcomed all to the meeting and asked everyone to join her in a moment of silence for Board Member Patty Rosewater. Patty passed away on September 4<sup>th</sup>.

**APPROVAL OF JULY 19, & AUGUST 12, 2011 MINUTES**

The minutes of the July 19<sup>th</sup> and August 12<sup>th</sup>, 2011 meetings were reviewed.

**MOTION:** Pete Petersen moved to approve the minutes as presented. David Taylor seconded and the motion passed unanimously.

## **EXECUTIVE SESSION**

An Executive Session was held and concluded at 9:30 a.m.

## **REPORT FROM SUN VALLEY MAYOR & COUNCIL**

Mayor Wayne Willich and Councilmen Nils Ribi and Dewayne Briscoe were in attendance for this portion of the meeting. They reported on the following topics:

- 1) Bond Election – Sun Valley voters will be considering an approximate \$14M Bond at the November 8<sup>th</sup> election. This amount would cover the first five years of the City's current capital plan, the majority of that being the rebuilding of over eight miles of roads and streets. There will be an Open House @ City Hall on October 12<sup>th</sup> and a Town Hall meeting on October 26<sup>th</sup> to gather input from tax payers regarding the options for the bond. Depending on whether a 15 year or 20 year repayment term is desirable, it is expected the annual tax burden will be between \$43 & \$51 per \$100K of property value which is slightly higher than the bond that recently expired.
- 2) Mountain Rides –The City reduced the Mountain Rides 2011/12 budget line item by 8%. This cut may result in a service reduction to the Red Route during slack seasons. Mt. Rides will be holding a planning workshop on October 12<sup>th</sup> to discuss the service plan for 2012. All interested are welcome to attend.
- 3) Cox Communications – The City has formed a committee to work with Cox to improve service to Sun Valley residents.
- 4) Scheduled Power Outage – Idaho Power will be conducting maintenance work on the main power line to Elkhorn and Sun Valley during the early morning hours of September 27<sup>th</sup>. The power will be out from midnight until approximately 6:00 a.m. Tuesday morning.

## **OWNERS ADDRESSING THE BOARD**

Several owners (see attached sign-in sheet) were in attendance to comment on the Board's recent decision to file an application to amend the 2005 Comprehensive Plan. Ed Lawson explained the issue and summarized by saying the action was taken to protect the property owners' options for the future. In addition to the Comprehensive Plan issue, some owners were in attendance to discuss the Twin Creeks ponds (see Business Item #6). Also, Joy Kasputys read a letter from Harry & Michelle Griffith. The Griffith's are asking for a written response from the Board with supporting documents on numerous SVEA issues.

## **BUSINESS**

### **1. Report on Amenity Master Plan (John Gaeddert to attend)**

John Gaeddert presented an update on his ongoing planning work. The Amenity Master Planning advisory group will be meeting with John in early October regarding the fall work plan and the next steps of this process.

### **2. Ed Lawson's Report on Disbrow Lawsuit (Executive Session)**

The Board went into executive session to receive a report from its general counsel regarding the status of the litigation referred to as Disbrow vs. Sun Valley Elkhorn Association. Following receipt of the report and a discussion of the broader issues the Board concluded its executive session. There being no action to take on this matter the board directed its attention to the next matter on its agenda.

### 3. Consider 2012 Tennis Agreement Offer to USPTS

Chuck reported on his contract negotiations with Bill and the changes being considered between the 2011 and 2012 agreements. Pete and Sid, co-chairs of the Recreation Committee, recommended the 2012 agreement incorporate changes from the 2011 contract/programs/fees as follows:

- 1) Reinstate "Owner/Non-Owner" designation from the current identifier as "Cardholder/Non-Cardholder" allowing for tenants and guests to pay full rates instead of receiving the intended "Owner" discounts.
- 2) On mandatory programs, (Ladies Day, Men's Day & Evening Socials) the 10% fee will be waived. The vendor provided programs will remain subject to the 10% revenue sharing.
- 3) An average 5% increase in program and event fees, not to exceed \$2 on any single program or event, will be permitted in 2012.
- 4) For each "Evening Social" required by contract USPTS will receive compensation of \$35 from SVEA. The Recreation Committee reserves the right to schedule or cancel Evening Social events as deemed appropriate.
- 5) SVEA agrees to a CPI increase of 1.5% in 2012. This increases the contract amount for management to \$25,375 and staffing would be increased to \$32,175. This represents an increase of \$850 for 2012.
- 6) Free "Beginner Tennis Lessons" program will be eliminated in 2012.

**MOTION:** Pete Petersen made a motion to enter into the 2012 Tennis Agreement as discussed. Dave Taylor seconded and the motion passed 3 to 1.

### 4. Consider Adoption of 2012 401(k) Corporate Resolution

The Board considered the following resolution in order to meet the requirement of the SVEA 401(k) Plan and Trust.

**SUN VALLEY ELKHORN ASSOCIATION, INC.  
CORPORATE RESOLUTION**

The undersigned, an officer of the Sun Valley Elkhorn Association, Inc., hereby certifies that the following is a complete, true and correct copy of a resolution adopted by the Board of Directors at a meeting held on September 23, 2011 and that this resolution is duly recorded in the minute book of said corporation and has not been altered, amended or revoked.

**RESOLVED:** That the contribution to the Sun Valley Elkhorn Association, Inc. 401(k) Plan and Trust for the year ended October 31, 2012 shall be 6% of the cumulative total salaries of the eligible participants.

**FURTHER RESOLVED:** That the contribution shall be conditioned on the deductibility of the contribution under Section 404 of the Internal Revenue code. If the Deduction is disallowed, we retain the right to return the contribution to the company within one year after the date the deduction is disallowed.

Certified this 23rd day of September, 2011.

By: \_\_\_\_\_  
James Fletcher, President

Attest: \_\_\_\_\_  
Sid Alpert, Secretary

**MOTION:** Pete Petersen made a motion to adopt the 2012 401(k) Resolution as presented. Dave Taylor seconded and the motion passed unanimously.

## **5. Board Member Candidates for Election**

Pam Bailey reported on the recently held Nominating Committee meeting. At the time of the annual meeting there will be three, 3-year terms available (Sid's, Cris' and Patty's) and one, 1-year term (Gary's resignation). The new candidates for nomination are: Jeani Paulson, Jack Haase, Ira Shephard and Jim Gorrige. Incumbent Sid Alpert has also agreed to run and desires the one-year term vacated by the resignation of Gary Black. All candidates are qualified and interested to serve and the Nominating Committee is recommending all be placed on the proxy/ballot for consideration by the membership; Sid for a 1-year term and the remaining four candidates for the three, 3-year terms. Brief biographies along with the answers to two questions pertaining to SVEA will be included in the annual meeting mailing to the membership.

## **6. Consider Cris & Kathy Jennings' Letter of August 9<sup>th</sup> Re: the Twin Creeks Ponds**

Cris Jennings along with several other owners (see attached sign-in sheet) were in attendance to discuss the ponds. Photos, letters, the current maintenance policy and other details of the ponds were reviewed and discussed.

**MOTION:** Jim Fletcher made a motion to re-evaluate the current pond policy. Pete Petersen seconded and the motion passed unanimously.

Staff was directed to develop an updated plan for presentation to the Board. Pete Peterson thanked all owners present for attending the meeting and responded that the SVEA will research previous Board actions and legal opinions regarding the ponds and evaluate responsibility, liability and the authority for the SVEA to become involved in the condition of the ponds.

## **7. Update from Pat McMahon, SVW&S, on Reuse Water Supply**

Pat was in attendance and presented maps and other information on the proposed Sun Valley Water & Sewer District's reuse system that is planned for completion in 2013. Following discussion the Board confirmed their September 2009 conceptual approval for providing the land and easements necessary for the District's water reclamation. Pat will be submitting actual easements, etc for the Board's consideration in a few months.

## **8. Review and Approve 2011-12 Budgets**

Finance Committee member Bill Wright joined the discussion portion of this agenda subject. Following detailed review, changes to reduce several expense line items were agreed upon. There will be no dues increase for the 2011/12 fiscal year; however, at this time it is expected a 2% increase will be necessary for the 2012/13 fiscal year. There has been no increase in SVEA dues for six (6) years.

**MOTION:** David Taylor made a motion to approve the 2011/12 budgets as amended. Pete Petersen seconded and the motion passed unanimously.

## **STAFF REPORT**

The report was reviewed and accepted.

**MOTION:** Margaret Walker made a motion to directed staff to move ahead with a method for securing the Harker tennis office area in order to allow access to the restrooms after the official tennis season ends in mid September. Pete Petersen seconded and the motion passed unanimously.

## COMMITTEE REPORTS

Architectural Design Liaison Committee- The ADC activity was addressed under Staff Report.

Audit Committee- An engagement letter has been signed and Dennis Brown will prepare the 2011 audit for presentation to the board and membership at the January meetings. The audit work will commence approximately the second week of November, following completion of the month-end and year-end accounting work.

Capital Improvements Committee- This committee's work was covered under Business item #8.

Communications Committee- There was nothing to report.

Executive Committee- There was nothing to report.

Finance Committee- This committee's work was covered under Business item #8

Golf Committee- Staff reported that notice of another reduction in golf fees, effective September 26<sup>th</sup>, will be sent to the membership via an e-blast.

Insurance Committee- Staff has completed the necessary applications for our November 1 renewals and our agent is shopping for the best rates based on our coverage requirements.

Nominating Committee- This committee's work was covered under Business item #5.

Recreation Committee- Recreation Committee activity was addressed under Staff Report and Business Item #3.

Sub Associations Committee- There was nothing to report.

## OTHER BUSINESS

Feasibility Study Disbursement to Owners- John Calvert is requesting a copy of the Feasibility Study that was prepared in June 2011 by Benchmark Associates regarding the Prospector Hill land. All agreed it is not necessary to grant this request. Ed was asked to respond to John's request explaining why this decision has been made.

In Honor of Patty Rosewater- All present agreed it appropriate to send a donation to a charity in memory of Patty Rosewater. Patty worked tirelessly on behalf of SVEA for nearly six years.

**MOTION:** Margaret Walker made a motion to donate \$500 to Greentown Los Altos in memory of Patty Rosewater. David Taylor seconded and the motion passed unanimously.

Owner Request to Use Goats for Weed Abatement- An owner in Sunrise has requested approval to use goats for the control of noxious weeds on her property. Following discussion the decision was made to deny the request at this time but to ask Ed and staff to look further into the governing documents as they would pertain to this use. Staff will also look at the pros and cons of using goats to control noxious weeds on SVEA open space.

**MOTION:** Pam Bailey made a motion to deny Ms. Mickelson's request at this time. Pete Petersen seconded and the motion passed unanimously.

## ADJOURNMENT

**MOTION:** A motion was duly made and seconded to adjourn the meeting at 2:55 p.m.

Respectfully submitted,

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Sidney Alpert, SVEA Secretary

**SUMMARY OF MOTIONS & DECISIONS**

<b>Motion or Decision</b>	<b>Page #</b>
Minutes of July 19 & August 12, 2011 were approved as presented	1
Approved 2012 Tennis Agreement	3
Adopted Resolution re: 2012 401(k) Contributions	3
Motion to re-evaluate the current Pond Maintenance Policy	4
Approved 2011/12 budgets	4
Directed staff move ahead with securing the Harker tennis office area to allow access to restrooms	4
Decision to not provide copy of Prospector Hill study to Mr. Calvert	5
Donate \$500 to Greentown Los Altos in memory of Patty Rosewater	5
Denied Ms. Mickelson's request to use goats for weed control at this time	5

**ACTION ITEMS**

<b>Who</b>	<b>Does What</b>	<b>By When</b>
Board/staff	Respond to Harry & Michelle Griffith	10-15-11
Chuck	Finalize USPTS agreement	10-15-11
Marlene	Finalize 401(k) resolution and obtain appropriate signatures	12-15-11
Marlene	Finalize Annual Meeting proxy/ballot to include candidates info	10-31-11
Marlene/Chuck	Develop updated plan for TC ponds	11-15-11
Marlene	Monitor SVW&S Progress on reuse project	ongoing
Darlene/Marlene	Finalize budgets for annual meetings, etc.	12-15-11
Chuck	Determine and implement method for securing the Harker tennis office area in order to allow access to the restrooms	11-30-11
Ed	Respond to John Calvert	10-7-11
Marlene	Inform Heidi Mickelson of decision - Research possibility of using goats for noxious weed control –	10-1-11 & 12-31-11
Pam	Draft a policy for production of documents	ASAP

/ml

9-23-11 BOD minutes – approved 1-4-12