

# **SPRING CREEK HOMEOWNER ASSOCIATION BOARD**

## **3<sup>rd</sup> Quarter Board Meeting Minutes**

**July 22, 2011**

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### **Attendees:**

Directors in person: David Conine, Ron Harris, Steve Price, Stuart Campbell, and Hank Stifel  
Other officers present: Derek Goodson

### **I. Opening**

#### **A. Call to Order and Determination of Quorum**

The meeting was called to order at 9:00 am MDT. The presence of a quorum was established.

#### **B. Agenda Review** – There was agreement to proceed with the agenda as drafted and distributed.

### **II. Review and Approval of Minutes**

#### **A. January 5, 2011 – 1<sup>st</sup> Quarter Board Meeting**

Motion to approve. M/S/U

#### **B. March 29, 2011 – 2<sup>nd</sup> Quarter Board Meeting**

Motion to approve. M/S/U

#### **C. May 9, 2009 – Special Board Meeting**

Motion to approve. M/S/U

### **III. Committee and Operating Reports**

#### **A. Treasurer's Report and Finance Committee**

Derek Goodson presented the Treasurer's report, and updated the Directors on budget performance results from the last quarterly meeting. Year-to-date results appear to be tracking reasonably well.

Ron Harris reported that the Finance Committee had been briefed on progress with addressing the water system needs at SCR, and in particular with the financing of this work. The Committee agrees fully with the direction and steps begin taken by the Board and by the SCISD. He indicated that the next regular meeting of the Finance Committee was scheduled for July 29, 2011.

#### **B. Architectural Committee – No report.**

#### **C. Spring Creek and Amangani Managers**

Stephen Price made brief SCHOA Manager and SCR Manager reports; and Stuart Campbell did likewise for Amangani. Their comments are reflected in the relevant agenda items below.

#### **D. SCISD**

Ron Harris updated the Board on the progress that has been made by the District in addressing SCR's water system replacement needs. At this point, the various stages of the overall project are proceeding largely on schedule.

### **IV. Old and New business**

#### **A. Water System Infrastructure Repairs/Replacement**

##### **1. Telemetry and control system work**

Stephen Price summarized the report provided to the SCISD by Bob Norton at its Annual Meeting on July 19, 2011. He reported that (a) the poles for the telemetry antennas have been installed,

and power has been supplied; (b) the correct new radio system has been received and installed; (c) the new components have been tested and appear to be operating correctly, with conversion to automatic operation expected to have been activated this week; and (d) the DSL connection to Well #1 is currently being installed, which will enable internet-based monitoring and actions. This work completes the initial stage (spring 2011) of the water system improvements.

2. Access road to water tank

Stephen Price reviewed the information provided to the SCISD at its Annual Meeting earlier this week. He reported that a two-track road is necessary for access to the water tank as part of the Spring Creek Ranch water emergency contingency plan. Stephen and Bob Norton have walked the site in order to determine an appropriate location for the road. Stephen has met with Peter Warshaw, whose home is adjacent to the likely location of the access road, to review our plans with him. Bob Norton reported to the SCISD that a culvert will not be required. In order to do the necessary grading work a tree needs to be moved; Stephen has arranged for this to be done.

3. Screening of communication towers

Stephen Price reported that some screening work has been done in connection with the communication tower beside Spirit Dance Road near to the end of the Choate units and Bob Pisano's home. He has discussed the matter with Bob. They agreed to continue to observe the appearance of the tower, to see if further landscaping or other screening is warranted.

4. Request for reimbursements to SCISD

Derek Goodson reported that invoices had been received by the SCISD for the new telemetry and control system (SCADA System) on the SCR water system. Bob Norton has received, reviewed, and approved for payment the invoices from Wetco (the primary contractor), Delcon, and Qwest in the amounts of \$62,742, \$5,369, and \$500 respectively, for a total of approximately \$69,000. The SCISD passed a motion at its meeting on July 19, 2011 approving payment of these invoices, subject to receipt of funds from the

SCHOA under the resolution passed by the SCHOA Board at its May 9, 2011 Special Meeting. Discussion by the SCHOA Board ensued.

Motion to approve the transfer of funds from the SCHOA Project Common Reserve to the SCISD to cover the three invoices indicated above as they are ready for payment by the SCISD, and to reserve the right to seek reimbursement from the SCISD for any or all of these amounts at such time in the future as the SCISD reserve fund may be sufficient to repay them; further, reserve the right to seek reimbursement from the SCISD for amounts paid by the SCHOA for work done for the SCISD by Nelson Engineering and/or Hess Carlman & D'Amours. M/S/U

## **B. Choate Deck Support Repairs**

### **1. Status of work**

Stephen Price reported that a significant portion, but not all, of the deck support work needed for the Choate units has been completed. The original contract price for the project was \$96,650, of which about 80% of the work has been completed at this time. The contract called for a cease-work date of June 25<sup>th</sup>, but not all of the repairs were completed by that date due to a relatively late start date. In addition, some of the repairs required were determined to be more extensive than originally estimated; a change order request amounting to an additional \$28,200 has been received from the contractor Roscoe Company, and Nelson Engineering has recommended that it be approved. The remaining work is to be undertaken and completed according to the contract between September 19<sup>th</sup> and October 28<sup>th</sup>.

### **2. Request for payment**

Derek Goodson reported that an invoice in the amount of \$79,350 from Roscoe Company has been received; this amount, less the contractually specified 10% retainage, has been reviewed and approved for payment by Nelson Engineering.

Motion to (a) approve payment to Roscoe Company of its invoice in the amount (net of retainage) of \$71,415, as reviewed and approved for payment by Nelson Engineering, for the Choate deck repair work completed to date; and (b) approve the related change order request in the amount of \$28,200, as recommended by Nelson Engineering. M/S/U

## **C. Infrastructure Issues**

### **1. Choate units' sewer line leaks**

Stephen Price reported that no further indications of sewer line leaks have been detected, and no repairs have been required so far. He agreed to continue to monitor the situation. The Board then discussed the issue of how to determine who is responsible for paying the cost of repairs for townhomes that have water or sewer line problems. The Board would like for the Finance Committee to look into the matter generally and to report back to the Board with a proposed policy; Ron Harris, Chairman of the Finance Committee, agreed to take the matter to the Committee.

### **2. Chip sealing of road**

Stephen Price and Dave Conine reported that a price quote for chip sealing East Butte Road had been solicited from the local contractor who does such work; that amount was approximately \$175,000. In addition, a general reaction was provided by an out of town contractor who indicated that the amount quoted seemed somewhat high, and that he might be able to do the work for closer to \$135,000. Both contractors noted difficulties with the price of, and access to, the oil required for the job. Stephen and Dave agreed to continue to pursue the matter, since the prime time for such work typically is during August.

Stephen also reported that the center stripe would be repainted within a short period of time, regardless of the status of the chip sealing project, for safety reasons. This might require painting twice, if the chip sealing is delayed, once in the near term and then again after the chip sealing. The Board agreed with the importance of proceeding with the center stripe painting.

### **3. Emergency road exit**

The Board discussed the issue of emergency egress should some or all of East Butte Road from the valley floor to SCR not be passable due to a wild fire. It was observed that the two-track road from Calliope Drive down the butte to the north and then west is in fairly rough condition. It should be passable at a slow rate of speed by SUV-type vehicles or pickups with 4-wheel drive, but could be a challenge for sedans with low clearance and/or those not having 4-wheel drive.

The Board also discussed the fact that some commercial GPS units apparently send drivers who enter SCR's address to the intersection of the 2-track road and Spring Gulch Road. Apparently an occasional driver has attempted to come up the butte on the 2-track as a result. Steve Price reported that a road block has now been placed on the 2-track at that intersection.

Dave Conine agreed to check out the intersection and determine what type of signage might be appropriate to place there. Steve Price and Ron Harris agreed to drive the 2-track, to get a better sense first hand for its condition.

4. Water metering

Ron Harris reported on the status of the water metering project being undertaken by the SCISD. It is still hoped that new State regulations for the program involved with "green" projects will be finalized in time so that a loan application for a new SCR water metering system can be placed this fall and most of the installation work (the indoor portion) can be done over the course of the winter.

The SCISD requirement that water usage be metered and that SCISD-supplied meters be installed in each residence and commercial unit was discussed by the Board. It was agreed that the SCHOA Board will look to the SCISD to write-up the requirements and policies involved, and that the SCHOA will assist with oversight and management.

5. Removal of dead aspens

Ron Harris reported that he had personally retained Bill Collins to help explore the possibility of gaining approval from the Teton County Scenic Preserve to have dead aspens removed from his lot (Lot 3) on the northern portion of the property (which is under an easement to the Scenic Preserve). Preliminary review and discussion with County staff (the County Commissioners are the trustees of the Scenic Preserve) indicated that doing so would probably be allowed, if it were done appropriately. Ron also indicated that he has received agreement from his neighbors in the adjacent Lots 2 and 4 (Flavin's and Shaw's) to be part of the request for permission from the Scenic Preserve, in connection with trees on their respective lots. He noted that this request does not commit anyone involved as to actually proceed with removing trees or as to how it would be paid for, just permission to do so.

Ron asked if the Association wished to be included in the request to the Scenic Preserve, for common space within the Scenic Preserve to the east of Lots 2-4. He indicated that being included would not commit SCHOA to actually having trees removed or to any funding; if permission were granted, then the Directors could decide whether to participate, and to what extent and at what cost. Discussion ensued, including issues of aesthetics and fire safety.

Motion that the SCHOA asks to be included in the request to the Teton County Scenic Preserve for permission to remove dead aspens from Area Common land to the east of Lots 2-4 under easement to the Scenic Preserve, with no commitment at this time to actually proceeding with such removal. M/S/U

#### **D. Assessment Delinquencies and Liens (Executive Session)**

The Board excused non-members in attendance, and went into Executive Session. Coming out of executive session, no action was taken.

#### **E. Rules/Regulations and Policy Issues**

##### **1. Townhome construction activity period restriction**

Stephen Price reviewed the current restriction on construction activity in the townhome subdivisions, which prohibits such work during the months of July and August (obviously, legitimate emergencies are exceptions). He noted that this policy has been well received. Stephen would like to see this blackout period extended so that it is from June 15 through September 15. The additional four weeks of no construction, he believes, will be of benefit to the rental program and to homeowners who come during the added time periods. Stephen had requested that the Architectural Committee consider adopting the change; although no objection has been voiced by the AC, it appears to be looking to the Board to make such a policy decision. Board discussion followed.

Motion to expand the present blackout period of July and August for construction work in the townhome subdivisions, so that such activity is prohibited from June 15 through September 15. M/S/U

##### **2. External lighting – The matter in question has been resolved, so no further discussion was needed.**

3. Conflict avoidance policy

Ron Harris indicated that the matter of adopting a conflict avoidance policy has been raised from time to time over the past five or so years. He indicated that he believes it is important that we address this matter, given that most organizations (businesses and nonprofits) have adopted such policies as a matter of good governance and transparency. He also indicated that he had worked with Frank Hess in the past to draft a policy that would state principles, give relevant examples, and provide a simple process for how to deal with situations that may involve an actual conflict or the appearance of one.

Ron said that some clean-up to the latest existing draft was needed. He agreed to pursue this with Frank Hess, then to circulate a draft of a Bylaw amendment that would contain a proposed policy. The adoption procedure for a Bylaw amendment is for the Board to recommend the amendment to the homeowners, and then for the homeowners to act on it by majority vote at an Annual Meeting (or other Special Meeting of the homeowners).

4. Tree trimming for view corridors – Deferred.

5. Lack of quorum

Ron Harris indicated that the matter of achieving a quorum at a regularly scheduled Annual Meeting has been one of concern over the years, especially now that the original developer does not hold a large number of votes. He observed that the CC&Rs require a quorum in order to conduct business. The Association's Bylaws specify that if business cannot be conducted at a regularly scheduled Annual Meeting because a quorum is not present, then the meeting is to be adjourned to a time not less than 10 days after notice is sent to all homeowners nor more than 30 days later. At the Adjourned Meeting the quorum requirement is reduced to 25%.

He observed that having to return for the Adjourned Meeting would likely be a hardship for many of the homeowners at the original regularly scheduled Annual Meeting, and it would reduce the opportunity for homeowner input. He indicated that he had worked with Frank Hess in the past to develop a Bylaw amendment that would provide an enhancement to the Adjourned Meeting process



in the event that a 50% quorum was not present at a regularly schedule Annual Meeting.

Ron said that a little bit of clean-up to the existing draft was needed. He agreed to pursue this with Frank Hess, then to circulate a draft of a Bylaw amendment that would contain a proposed policy. The adoption procedure for a Bylaw amendment is as indicated in item #3 above.

#### **F. JH Land Trust Inspection**

Stephen Price and Dave Conine indicated that they had met with a JH Land Trust staff member to participate in an inspection of the portions fo SCR that are under easement to the Land Trust. A follow-up letter from the Land Trust is expected within a relatively short period of time.

#### **G. Lot 5 Supplemental CC&Rs**

Ron Harris reported that a draft of Supplemental CC&Rs had been received by Tom Taylor (Chairman of the Spring Creek Architectural Committee) from Andy Schilling, the owner and developer of the Homes at Amangani, 2<sup>nd</sup> Filing (Lot 5). Ron indicated that he believe this draft was a significant improvement from the original one prepared several years ago. Andy has asked that Tom and Ron review the draft and provide informal comments, so that Andy could present a revised draft for formal review by the Board.

Ron reviewed for the Board some of the salient elements of the draft. These include provisions for potentially creating and operating a separate homeowner association for the subdivision (not to take the place of the SCHOA, but to supplement it); making separate assessments by the subdivision to the homeowners within it (in addition to those for the SCHOA); accumulating separate reserves; providing certain services (beyond those provided by the SCHOA); and owning some or all of the infrastructure (roads, etc.). The Board discussed the matter, recognizing that some of these items may be problematic and others may create confusion and redundancy. Ron agreed to keep the Board apprised.

#### **H. Audit of 2010 Financial Statements**

Derek Goodson reported that he has been in contact with the Association's auditor regarding the results for yearend 2010 and has seen

an early draft. He indicated that he is not aware of any issues of substance or any deficiencies, although some minor editorial changes are expected. He expects to have a clean draft available for the Finance Committee to review at its meeting on July 29, 2011.

**I. Annual Meeting Plans**

There was general discussion among the Directors about this year's Annual Meeting on October 8, 2011. Ideas for topics and events were discussed. Stephen Price agreed to take the lead on planning, with informal input from others.

A copy of the draft minutes from last year's Annual Meeting was distributed. Comments were requested as soon as possible.

**J. Other – None.**

**V. Conclusion**

**A. Next Meeting Date – Thursday, October 6, 2011 at 9:00 MDT.**

**B. Adjournment – Upon completion of the business at hand, the meeting was adjourned.**