

SPRING CREEK HOMEOWNERS ASSOCIATION BOARD
3rd Quarter Board Meeting Minutes
June 23, 2015

Attendees:

Directors present:	Dave Conine, Ron Harris, Bob Pisano, & Stuart Lang
Directors absent:	Stephen Price
Other Officers present:	Derek Goodson and Virginia Nowicki
Others present:	Jackson Brandenburg, project management support

I. Opening – Call to Order, Determination of Quorum, and Agenda Review

The meeting was called to order at 8:00 am MST. The presence of a quorum was established. There was agreement to proceed with the agenda as previously distributed. It was noted for the record that the starting time was changed from the originally schedule hour by the mutual consent of all of the members of the Board.

II. Review and Approval of Minutes

A. March 23, 2015 – 2nd Quarter Board Meeting

Motion to approve the minutes. M/S/U

B. October 4, 2014 – Annual Meeting (draft) – Deferred.

C. June 22, 2015 – Special Board Meeting – Deferred.

III. Committee and Operating Reports

A. Finance Committee

1. Treasurer's Report

Derek Goodson presented the Treasurer's Report as of the end of April, which he had previously distributed to the members of the Board. He noted that there is only limited information available regarding current year operating expenses, although Spirit Dance

and Harvest Dance insurance costs are running over budget due to recent developments with the carrier. Overall, operating expenses are close to budget year-to-date. With regard to reserves, the levels continue to be strong – with the total accumulation split fairly evenly among Project Common, Spirit Dance, and Harvest Dance. Discussion ensued, and Derek fielded a number of questions from the members of the Board.

2. Insurance renewals and related issues – See above #1.

3. Approval of reserve expenditures

Derek Goodson requested that a significant number of reserve expenditure items, as documented in the June 23rd Treasurer's Report, be approved. They total \$173,531.

Motion to approve the reserve expenditures enumerated in the June 23rd Treasurer's Report and totaling \$173,531. M/S/U

4. Audit of 12/31/14 financial statements

Derek Goodson reported that Thompson Palmer has been engaged to perform an accounting review of the SCHOA's 2014 yearend financial statements. He indicated that the accountants are working on a draft at this time. He noted that a full audit of yearend 2015 financial statements was authorized by the Board at its 1st quarter meeting in early January.

5. Delinquent Homeowners

The Board went into executive session to discuss the matter. Coming out of executive session, the following action was taken:

Motion to authorize Frank Hess to file a lien(s) on Jackson Land & Cattle property at SCR in connection with a substantial delinquency in payment of SCHOA dues and to direct Derek Goodson to work with Frank in pursuing the filing of the lien(s). M/S/U.

B. Architectural Committee – deferred.

C. SCISD

1. Update

Stephen Price reported that work on the expansion of the well house and installation of new electronic controls has been completed, and that the new controls are in operation. Unrelated to the new controls, some operational glitches in the water system have arisen over the course of the summer so far and have been addressed. The 2nd phase of sewer cleaning and inspection was completed, and certain problems identified have been addressed.

2. Water usage communications – Derek Goodson indicated that he has not been able to devote the time to prepare the monthly Homeowner reports.

3. Adjustment to ISD assessments based on water usage

Ron Harris reported that Derek Goodson has prepared a draft preliminary budget for the SCISD for FY 2016 (July 2015 – June 2016), and that the Directors of the District approved this as a preliminary budget at their meeting on May 29th. The final budget is to be approved at the District's Annual Meeting and Budget Hearing on July 17th. The preliminary budget which Derek developed does not yet reflect a revenue neutral adjustment to assessments to reflect water usage by homeowner category.

Ron indicated that at the May 29th District meeting he had agreed to resend the development of water usage adjustments that he developed a year ago, updated if possible for 2014 water usage, and to modify Derek's budget model so as to include such adjustments. The intent of the District's Directors is to consider making adjustments for water usage level among homeowner categories (townhomes, single family homes, various commercial groupings, etc. – but not yet among individual single family homeowners), on a revenue neutral basis. These adjustments will be considered when the District Directors approve the final budget and assessment schedule at the District's Annual Meeting.

D. Managers' Report Highlights – Deferred.

IV. Dispute Resolution

A. Confirmation of Covenants Amendment Election Results

Dave Conine reported that the proposed amendment to the SCR Covenants regarding resolution of disputes has passed, receiving in excess of the required minimum number of votes. A certification from Frank Hess is anticipated shortly.

B. Communication of Results with Homeowners

The Board directed that a letter be sent to all homeowners indicating that the amendment has passed. Bob Pisano agreed to prepare a draft letter.

V. Old and New Business

A. Infrastructure, Property, and Other Project Issues

1. Project management status

Jackson Brandenburg joined the Board for this portion of the meeting. He has been facilitating the SCHOA project management process. This process and the retention of Jackson were authorized at the January Board meeting. Participants in weekly project management meetings are Jackson, Steve Price, Josh Robinson, and Ron Harris; oversight and project-specific follow-up is provided by Jackson.

Jackson reviewed a lengthy list of the projects being managed since the beginning of the year, including those still underway or remaining to be completed (list distributed earlier to the Board). Discussion ensued, and feedback was provided.

2. Approvals – No action was requested or taken.

3. Choate outside lighting – Covered in A.1 above.

4. Legal & risk management issues

The Board went into executive session to discuss these matters. Coming out of executive session, the Board confirmed that a

credentialed fireplace and chimney expert will inspect all of the Gruen fireplaces plus a sampling of Choate and Harvest Dance fireplaces. The Board also directed that, until further notice, the Gruen fireplaces are not to be used and SCRM is to maintain signage in the Gruen units notifying owners and guests of this restriction.

5. Other projects and related matters – None.

6. Employee housing

a. Temporary mobile home on Lot 4

Ron Harris reported that on June 15th the AC approved the temporary structure for SCRM employee housing located next to the maintenance building. The AC specified, among other things, the following:

The temporary structure will be fully removed on or before 11/1/15. Any desire by SCRM to extend the approval of the structure beyond 11/1/15 will require a submittal to and approval by the SCHOA Architectural Committee. Any such submittal should be made no later than September 20, 2015 for review at the October 6, 2015 meeting of the committee.

The AC also conditioned its approval upon subsequent Board approval.

Considerable discussion ensued. The Board reiterated its belief, as expressed during the special Board meeting yesterday and as discussed in the item below, that SCRM needs to bring forward at least two alternatives for a permanent approach to creating housing for its employees, and that this needs to be done in the very near term so that progress can commence on a reasonable direction and plan.

Motion to (1) affirm its concurrence with and approval of the terms and conditions of the AC's June 15, 2015 approval captioned "SCRM Employee Housing – Temporary Structure", and (2) further direct that any request for extension by SCRM be accompanied by the articulation of two or more alternatives for a permanent approach to SCRM employee housing, sufficiently laid out and developed so that

meaningful progress can be made in setting direction and moving toward execution. M/S/4:0:1 (Stephen Price abstained).

b. Potential long term options

It was noted for the record that the Board held a special informational meeting yesterday on the topic of employee housing at SCR. No formal action was taken at that meeting; however, the expressed sense of the Board, as reflected in the motion above, was that SCRM needs to come back by the end of this summer with two or more alternative approaches, sufficiently laid out and developed so that meaningful progress can be made in setting direction and moving toward execution.

One of the possible locations for employee housing identified was on SCHOA land at the foot of the service road, near to Spring Gulch Road. Modular homes could potentially be located here. The SCHOA would need to offer a lease to SCRM on reasonable terms, and County approvals would be required. Another possible location would be on Lot #4, adjacent to, or connecting with, the existing maintenance building. Such a location would necessitate an approved permanent structure that would be compatible with its surroundings. Other possibilities may arise as well. The Board urged SCRM to rough out more than one alternative in order to explore feasibility and acceptability; and it reminded SCRM that time is of the essence in planning and moving forward, given the significance of the undertaking.

7. Vision Committee suggestions & related – Deferred.

8. JHLT matters

- a. Utility/access easements (service road) – Bob Pisano indicated that we are still awaiting a response from the JHLT.
- b. Response to other JHLT concerns – These matters are being addressed by the project management group.

B. Governance and Related Issues

1. Homeowner communications

Dave Conine offered to work with Virginia Nowicki to develop new homeowner materials, routine homeowner communications, and a homeowner directory.

2. Updating of SCR rules/regulations – Bob Pisano indicated that this is on his “to do” list.

3. Finance Committee appointment

Bob Pisano reported that he had contacted Chris Harrison about the possibility of serving on the Finance Committee, and that she was willing to do so.

Motion to appoint Chris Harrison as a member of the Finance Committee. M/S/U.

C. Other Business – None.

VI. Conclusion – Next Scheduled Meeting and Adjournment

The next regularly scheduled Board meeting is the 4th Quarter Board Meeting to be held at 9:00 am on Tuesday, September 29, 2015.

Upon completion of the business at hand, the meeting was adjourned.