

SPRING CREEK HOMEOWNERS ASSOCIATION BOARD
1st Quarter Board Meeting Minutes
January 3, 2014

Attendees:

Directors present: Dave Conine, Ron Harris, Bob Pisano, and Stuart Campbell
Directors absent: Stephen Price
Other Officers present: Derek Goodson and Virginia Nowicki

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

The meeting was called to order at 3:00 pm MST. The presence of a quorum was established. There was agreement to proceed with the agenda as drafted and distributed.

II. Review and Approval of Minutes

A. **October 5, 2013 – Annual Meeting (draft) – Deferred.**

B. **October 25, 2013 – Special Board Meeting**

Motion to approve the minutes. M/S/U

C. **November 8, 2013 – Special Board Meeting**

Motion to approve the minutes. M/S/U

III. Committee and Operating Reports

A. **Finance Committee**

1. **Treasurer's Report**

Derek Goodson presented the Treasurer's Report for the end of November, which he had previously distributed to the members of the Board. Derek commented that year to date operating costs through November are close to or under budget, except for project

common (approximately \$65,000 over budget); the major source of variance for project common is substantially higher legal expenses than the level provided in the budget. He further noted that the renewal premium for the SCHOA's general property and liability coverage was significantly higher than the current premium, and that he was experiencing difficulty finding D&O coverage for the Association. An item not yet reflected in the November statements is reimbursement from the SCISD in the amount of \$50,000 for the new well easement acquired as part of the lawsuit settlement with Jackson Land & Cattle, as approved by the District. Discussion ensued, and Derek fielded a number of questions from the members of the Board.

2. Approval of reserve expenditures

Derek requested that the following reserve expenditures be approved:

| | |
|---------|---|
| \$2,018 | Evans Construction (materials, tennis courts) |
| 3,950 | Time & expense for tennis court drainage work |

Motion to approve the two reserve expenditures in connection with drainage work for the tennis courts. M/S/U

B. Architectural Committee

Tom Taylor was not present to provide a report of AC activities. An issue raised was the adverse impact of extensive landscaping plans for new homes on water usage and, in the case of varieties of trees that grow to a large size, on maintaining view corridors for other homeowners. Dave Conine agreed to speak with Tom Taylor about approaches that might be taken to try to curtail this.

C. Managers' Report Highlights – Deferred.

D. Legal Report (Executive Session)

The Board went into executive session for a discussion of active litigation and other legal matters. Coming out of executive session, no action was taken.

IV. Old and New Business

A. Infrastructure and Reserve Issues

1. Grooming and signage for cross country skiing trail – Derek Goodson agreed to follow up on this.

2. Tennis courts drainage and surface repair

Stephen Price previously reported that exterior drainage work had been completed. He was not available to report on the status of the remaining work needed. Bob Pisano and Ron Harris agreed to meet with Stephen to review this and other infrastructure and property maintenance items below marked as “deferred”.

3. Water tank roof membrane and repair

Stephen Price previously reported that almost all of the improvement work needed, including installation of a new membrane cover plus repair of the hatch and minor excavation for overflow drainage (remediations that were specified by the EPA during its recent inspection), has been completed. Ron Harris indicated that the SCISD was involved in monitoring the project, and had directed Nelson Engineering to review with SCRM the remaining work required; it is expected that any such work will be done in the spring.

4. Water tank cleaning – Deferred.

5. Service road barriers (top & bottom) – Deferred.

6. Service road vegetation reclamation – Deferred.

7. Pump installation & watering of berm at SCR entrance – Deferred.

8. Perimeter fence repair – Deferred.

9. Pool lift – Deferred.

10. Swimming Pool area shading, including umbrellas – Deferred.

11. Hot tub replacement

Members of the Board agreed that they would want design drawings and a detailed proposal. Further discussion deferred.

12. Flag pole

Ron Harris reported that Donna Falk is preparing information on various alternatives, with particular focus on those approaches or designs that will not result in extensive ongoing maintenance work, noise (cord or cables banging against the pole), or uplighting.

13. Coverage of doors and windows in Townhome units – Bob Pisano agreed to follow up on the preparation of SCHOA policy documentation regarding coverage responsibilities (Association vs individual homeowners).

B. Property Issues

1. Landscape & related

a. Trees blocking SD views – Deferred.

b. Footpath shortcut worn in SD – Deferred.

c. Pathway and trail maintenance

It has been observed that some of the pathways around the SCR property need clean-up and new gravel or other surface work. Further discussion deferred.

2. Vision Committee suggestions & related

a. Lighting in Granary/Inn parking lot area – Deferred.

b. Intersection near Amangani, Granary/Inn, and & Schilling home

Tom Taylor has done some very preliminary work on this issue, including attempting to make contact with Andy Schilling's

former landscape architect (who did design drawings of the intersection area at the time Lot 5 was being developed, which might be relevant or useful now for ideas).

c. New pathway from Ranch House to Granary area

Ron Harris previously summarized three potential options laid out in an email from Nelson Engineering, which was distributed to the Directors. Ron also previously discussed an additional potential option, whereby the pathway would be on the north side of East Butte Road; Nelson Engineering has not examined this option in detail, but expects the cost to be perhaps \$10,000 more than the estimate for Option 3 (due to additional landscape and fill work). Ron had noted that all of the potential options identified have fairly comparable costs, on the order of \$200,000. As discussed in past meetings, this pathway segment would potentially be part of a broader multi-year plan to enhance SCR pathways, and it could potentially be funded through the ISD.

3. Fire Study Report recommendations

a. Sage brush cutting

The SCHOA budget for 2014 makes provision for beginning the process of mowing sage brush along fire break lines identified in the fire study done for SCR by the Teton Science School. The overall project is likely to be undertaken over the course of more than one year.

The initial steps identified by the Board are to (a) mow the fire strip along the eastern border of SCR property, where the location for the fire strip is readily identifiable and the terrain should make such work relatively easy, quick, and inexpensive to complete; and (b) stake out lines on the south and east sides immediately below SCR structures, as identified generally in the Fire Study Report but which are likely to be more difficult than the eastern side to locate precisely and then mow (due to the terrain and homeowner views). It is expected that a proposal will then be desired with regard to the southern and western fire break lines. Derek Goodson agreed to contact Brenda Yokum (who prepared the Fire Study Report) and/or someone at the Teton Science School about helping with step “(b)”.

b. Removal of standing dead aspens

Ron Harris raised the idea of perhaps having a series of homeowner work days or weekends to remove standing dead aspen that serve to create fuel for wildfires. Paid labor might be used for certain aspects of the work. It was agreed to see if there was sufficient interest and willingness among homeowners to warrant pursuing this idea.

4. Treatment of Townhome parking lots – Deferred.

5. JHLT and TCSPT matters

a. Seeding of closed horseback riding trails – Deferred.

b. Easement agreement with JHLT

Dave Conine previously reported that he had been contacted by the Jackson Hole Land Trust (JHLT) proposing a complete rewrite of the utilities easement for SCR on JHLT property. This involves, at least in part, utility easement areas along the two-track service road. It was agreed that the Board should turn to this matter over the course of the spring and summer, with input from Nelson Engineering and Frank Hess.

C. Rules/Regulations and Financial/Policy Matters

1. Accounting/audit review of 2013 yearend financial statements

Bob Pisano reminded the Board that the past practice of the Association has been to have a full audit of its yearend financial statements conducted approximately every five years, with an accountant's review conducted at each of the intervening yearends. The last full audit was conducted at the end of 2010. He indicated that the Finance Committee recommends that an accountant's review be conducted of the yearend 2013 financial results, and that Thompson Palmer be appointed to conduct this review.

Motion to retain Thompson Palmer to conduct an accountant's review of the yearend 2013 financial statement for the SCHOA.
M/S/U

2. Changes to assessment structure for water system

Ron Harris reported that development of a new assessment structure which reflects water usage in some manner is a top priority for the SCISD. A key concern is the significant risk that SCR will need to add a new well, which could cost \$0.5 to \$1.0 million or more unless the overall usage of water is contained. This risk is being driven significantly by high levels of summer usage by some homeowners to irrigate their landscaping.

The District contemplates continuing with annual assessments, rather than monthly or quarterly billings, but with homeowner-specific adjustments to reflect their level of usage during the prior year. It is expected that the additional revenue collected from high users will be escrowed in order to begin to accumulate funds for the possibility of having to drill a new well.

An important element of the introduction of such an assessment structure will be the regular reporting of individual homeowners' water usage to them, so that they have an opportunity to make adjustments. Derek Goodson agreed to check with the software vendor for the SCR water meter data/billing system to see if can accommodate such reporting. It was also noted that we may need to obtain help from the outside in developing and implementing the monitoring and reporting to homeowners.

3. Updating of SCR rules/regulations

The original rules/regulations for SCR appear not to have been updated since the time that they were originally drafted by the Developer. Subsequent to that time, there have been additional rules/regulations adopted but not incorporated into the master set. Bob Pisano agreed to undertake an initial review of them and to report back to the Board.

Ron Harris reported that a specific new rule/regulation that has been considered by the SCISD concerns weight loads on East Butte Road during spring thaw periods. According to Nelson Engineer, heavy construction loads during this period are the single largest controllable contributor to premature wear on a road like this (and therefore repair and replacement costs). Nelson Engineering developed a specific proposal, working with the District, patterned after Teton County practices. This proposal was previously distributed to the Board.

Motion to (a) adopt the proposed limitation on weight loads on East Butte Road for construction and related vehicles during the spring thaw period, as drafted by Nelson Engineering and (b) request that the Architectural Committee include it in the Architectural Guidelines and in such other working documents as may be appropriate. M/S/U

D. Homeowner Website

1. Maintenance of website

Ron Harris previously reported that he has been working with the website developer to reorganize and streamline the pages on the website. Some additional clean-up is still anticipated, as well as the development of some further enhancements.

2. Calendar updating and document posting process – Deferred.

3. Homeowner listing – Deferred.

4. Fencelines posting

Virginia Nowicki indicated that she plans to email “Fencelines” to homeowners who are inhouse, on a weekly basis. Discussion about posting on the website was deferred.

5. Electronic signature forms – Deferred.

E. Other Business – None.

IV. Conclusion – Next Scheduled Meeting and Adjournment

The next regularly scheduled Board meeting is the 2nd Quarter Board Meeting on March 21, 2014 at 9:00 am.

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