



Annual Meeting 2017

Wednesday, May 16th, 2018

SNOWMASS FIRE HOUSE

Minutes June 14, 2017 Little Elk Creek Annual Meeting

1. **Call to Order/Introductions/Approval of Minutes of 2016 Meeting**

Trustee and President Bruce Anderson called the meeting to order at 7:14 pm. and introduced the present Board members (Anderson, Ott, Visnic, Tornare, Vogel) and Manager (Edquist). Owners then introduced themselves around the room.

Waiver of Notice/Quorum/Approval of Minutes of 2016 Meeting

The minutes of the 2016 annual meeting were mailed to owners for this meeting. There was a motion and second to approve the 2016 minutes, no discussion and none were opposed. 59 owners were represented in person and by proxy, constituting a quorum for the transaction of business.

2. **LEC year in review- Manager Edquist**

Manager Edquist said there would be a Board statement and discussion regarding the Weiss legal issues later in the meeting. He said Trustee Vogel would speak later in the meeting regarding the covenant committee, and that Dan Harris would have a more detailed update on the pumphouse addition, and related capital expenses for that work. He said there may be need to remove some of the many small cottonwoods around the playground area in relation to the water levels in the wells, as these trees likely lower the local water table there. Any such work would be at the direction of the Board.

Keith reported that the irrigation ditches are open and running, and that Little Elk is served by two ditches and ditch companies, and local control and contacts regarding these are owners George Johnson for the Borum-White ditch, and Dan Oppenheimer for the Little Elk Creek Ditch Company. He said he can assist owners with information regarding these, but that he does not control either ditches or flows.

He then spoke briefly about the past year's activities in the Architectural Control Authority (ACA), and the mechanics of the review process, which starts with contacting management in order to collect and distribute information for the Board's consideration. The Board of Trustees meets monthly, and acts as the ACA when there are submissions to review. Adjacent owners are able to comment on plans as they deem necessary, but they do not approve or disapprove other owner's submissions. Owners should plan on reviews on a monthly basis, the second



Wednesday of each month, in conjunction with the regularly scheduled meetings of the Trustees.

He said Jenn and Peter Voorhees had completed construction of their home. Sarah and Jon Visnic completed their remodel, and Steve and Kara Smart had completed a re-roof and porch addition. There will be some submissions for solar panel installations coming in July. He said new owners included Dave and Nikita Mullaney, Emma Lande and Steve Whitelande, and Pete and Michelle Casson, and concluded by saying owners are always welcome to attend the Board meetings, held each second Wednesday of the month, 7 pm., here at the Firehouse.

3. Water System Report-Owner Dan Harris

Owner Dan Harris stated the pumphouse project was nearly complete, pending three final inspections from the state. He said engineers for the project (Schmeuser Gordon Meyer or SGM) had filed the final report to the state 6 weeks ago, but as yet there had been no response. He thanked owner Bud Norris for his company's and personal assistance in the construction of the pumphouse addition.

Dan said there may still be a leak on the system and that he would be testing to try and isolate what he felt was a 10-15 thousand gallon per day leak. He said there were remaining minor issues with the water system which are being addressed. One is iron based bacteria still clogging the filter media, and the other is a need to dredge the small silt retention pond above the upper pond. It is also time to acidize the wells in order to increase their production rates.

There were questions and a discussion regarding the cost of the pumphouse project, and the budget overage resulting from this expense. President Bruce Anderson explained (as noted in the 2016 annual meeting minutes) that the state had mandated these improvements, and that the 2016-2017 operations budget did not anticipate this, coming as it did midway into the 2016-2017 fiscal year. Standards required of Little Elk by the Colorado Department of Health and Environment required greater contact time for chlorination, and the addition of further filtering media. This prompted the expansion of the pumphouse to accommodate filtration systems and an additional second cistern to allow for the increased chlorine contact time required. Costs for this at the time of this meeting totaled \$193,280, or \$169,090 over the budget allowance for the repairs and maintenance line item in Water System Operations. The expense of the pumphouse addition will be charged to the association's reserves.

This expense exceeded the total of the reserve funds collected in 2016-2017 (\$118,400) as pointed out by owner John Corcoran. He said that \$112,000 was collected for the reserve fund in 2015-2016. This pointed up the need for a well funded reserve account and the recent annual increases in assessments. The association's reserve study is posted on the website littleelkcreekvillage.org, and among its tools is a spreadsheet/database that will allow the Board



to determine the state of reserves after this project's expense is finalized. In response to a question regarding authorization of this expense by owner Scott Keating, Dan was assisted through this project and its cost authorizations with the support of the Board of Trustees.

There followed a call for better communications with the ownership in regard to association finances and a request to share more information. It was noted that Board minutes are posted to the website. Owner Lee Nunn made a motion, amended by owner Michael Vernon, to send out the Board agendas by email, including the minutes of prior meetings, and the most recent financial statements. George Johnson seconded and this motion was unanimously passed.

4. Covenant Committee Update-Trustee Tim Vogel

Tim reported that several meetings were held with the idea of bringing the language of the covenants up to speed. He said the group met a half dozen times, and included himself, Jeff Edelson, Beth Blackmer, Holly Timms, Beth and Kent Meager and Dan Oppenheimer. He said there will be opposition to some of the changes, but that the committee was presently working out a formatting issue and that a draft would be sent out to owners when it is completed.

5. Treasurer's Report-Trustee John Ott

The balance sheet as of June 14th, 2017, the profit and loss statement for July 2016 to April of 2017, and the approved 2017-2018 budget were provided to owners earlier in the meeting. Total assets as of June 14, 2017 were \$467,680.46 and \$507,063.19 on the corresponding date a year before. John said the pumphouse addition expense would be charged to the reserve account. In answer to a question regarding legal fees relating to the Weiss suit and counterclaim, he said those totaled \$36,014 over the last two years.

There followed a series of questions regarding association finances and the process by which association expenses are approved. President Bruce Anderson said 4 identical bills are sent to all owners 4 times per year for collection of assessments, and that 4 to 6 checks are generated for signing by two Board Trustees each month in payment of vendors. Expenses outside of budgeted funds are approved by the Board if and only as necessary. These are the sources for both income and expense to the association budget.

Owner Michael Vernon noted \$417,000 in the association's bank accounts and asked when the last audit was performed. This was last done in 2010, at a cost of about \$2000. In response to a question from Jeff Weiss regarding the reserve study, it projects expected capital expenditures for specific capital assets forward for 30 years. It is a tool to be used by the Board and Association going forward. Except for the expense of the roadwork, Capital Creek fence and the pumphouse addition, none of the components have changed since its production. In respect of the overall reserve funding the water systems anticipated replacement costs still dominate all other expected expenses. Manager Edquist said the study allows a \$25,000 per year expense for



repairs to this system, while continuing to build reserves against its eventual complete, or partial, replacement.

6. Election of Trustees

There were 4 candidates for the two seats available on the Board. Trustees Bruce Anderson and John Ott ran as their terms were up this year. Bios for the candidates had been sent by email to the owners prior to the meeting. Jeff Edelson, Harvey Paparo, Bruce Anderson and Peter Voorhees were asked to give brief statements and the vote was then held. John Ott and Peter Voorhees were elected to the Board. The Board will set its officers at the next Board meeting, July 12th.

7. Other Business or concerns

At this time Trustee Rene Tornare read a prepared statement in regard to the Weiss legal matter, explaining the reasons for the Board's actions in the matter. There followed an extended and animated discussion, recorded by attorneys for both the HOA and Mr. Weiss, regarding the course of action to be taken. Mr. Weiss provided commentary on the written statement from his perspective. There were questions in regard to whose responsibility it was to install culverts, which the covenants state as the owner's. There was a statement made by owner Patty Jones in support of Mr. Weiss, and stating that in 41 years she had not seen a rain event which caused water to flow down the Alexander Avenue barrow ditch, where these culverts were placed.

Some owners felt the HOA should drop its lawsuit, saying they did not wish to pay legal expenses related to this from their assessments. Others felt it inappropriate to drop the matter when the fees at stake for the HOA amount to near \$40,000 as of the date of this meeting. There was an increasingly heated discussion over these positions, finally prompting owner Susan Bedrick to rise and make a request for 'civility' in both the meeting and in Little Elk Creek.

Owner George Johnson made a motion that the Board direct the attorneys to negotiate a settlement, which died for lack of a second. Scott Keating made a motion for the Board to stop assessment of penalty fees to Mr. Weiss, which motion also died for lack of a second. Owner Steve Smart said he wanted to stop the bleeding, saying the Board and owners lost, Mr. Weiss lost and the parties should walk away. Both attorneys in attendance said they wanted to come to a settlement and or agreement and agreed to work together towards this.

As this matter is in litigation at present, it could not be resolved by either party at this meeting. President Anderson summarized the discussion and stated the Board would continue to work towards resolution with the attorneys and Mr. Weiss.



Little Elk Creek Village
Home Owners' Association
Post Office Box 420
Snowmass, CO 81654-0420

8. Adjourn

There being no further business to come before the meeting, the meeting adjourned at 10:25 pm

Respectfully submitted, Keith Edquist, Association Manager

Bruce Anderson, President