



Annual Meeting 2018

Monday, August 6th, 2018

SNOWMASS FIRE HOUSE

Minutes June 13, 2018 Little Elk Creek Annual Meeting

1. **Call to Order/Introductions/Approval of Minutes of 2017 Meeting**

Trustee and President Tim Vogel called the meeting to order at 7:02 pm. and introduced the present Board members (Jeff Edelson, John Ott, Peter Voorhees, Harvey Paparo, Tim Vogel) and Manager (Keith Edquist).

Waiver of Notice/Quorum/Approval of Minutes of 2017 Meeting

The minutes of the 2017 annual meeting were mailed to owners for this meeting. There was a motion and second to approve the 2017 minutes, no discussion and none were opposed. 49 owners were represented in person and by proxy, constituting a quorum for the transaction of business.

Scott Thompson-Basalt Fire Chief-was scheduled to address fire mitigation, but was unable attend.

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

Keith summarized some of the activities of the Board of Trustees over the last year, noting water system leaks rather continuously over the year. He said there was concern over muskrats in the ponds, the need to clear the upper silt pond of accumulated silt, and a request for monitoring of the neighborhood roadways for excessive speeds by the Pitco Sheriff.

Trustee Rene Tornare resigned, prompting the Board to appoint Jeff Edelson to fill that term, as the second highest vote getter in the 2017 election. Also, the Board selected a new bookkeeping service, Rocky Mountain Accounting Services, Kim Clinco, owner, in service since October 2017. There was a community get together/pot luck picnic, after several owners assisted in thinning the cottonwood and aspen growth around the pumphouse, wells and playground. Similar get togethers are contemplated and encouraged by the present Board.

There has been discussion of the need for water metering in light of the very difficult year owner Dan Harris has been through tracking down system leaks. There have been updates and revisions made to the proposed changes to the covenants, twice distributed to owners.



Recent meetings addressed formulation of the 2018-2019 budget, insurance coverage for the association, and a review of the 2014 reserve study, wildfire mitigation and the possible installation of dog stations. Solar installations and exterior lighting concerns have been raised in relation to the Board's role as the Architectural Control Authority (ACA).

Manager Edquist noted a Pitkin County stage 1 fire ban, which prompted discussions regarding fireworks, fire mitigation, fire pits, the work of the Snowmass Caucus on fire preparedness, and comments regarding the Board's ability to promulgate rules and regulations which would address fire concerns in Little Elk, at least one owner urging the Board to take that action in advance of Independence Day in what has so far been a very dry summer.

Edquist introduced owner George Johnson, who reported that the irrigation ditches are open and running, and that he was seeing the lowest levels of available water to the Borum-White ditch that he has seen in the 18 years he has been involved. He characterized this as a 'moderate drought', and urged owners to be conservative of water use. As owner Dan Oppenheimer did not attend today, Tim Vogel gave a report similar to Mr. Johnson's regarding the other ditch (Little Elk Creek Ditch) serving Little Elk owners. He said there should be 'adequate' water this summer, though the current 2.65 cfs now coming down was expected to drop over time.

President Vogel said the installation of a tank or pond can relieve some scarcity on individual lots. This scarcity in mind, Trustee John Ott cautioned all against using the water system's treated water for landscape purposes. Owners are reminded that installation of either a tank or pond requires review by the ACA for Little Elk Creek Village.

3. **Water System Report-Owner Dan Harris**

Owner Dan Harris stated there have been several large leaks on the water system, which increase electrical costs, chemical treatment costs and filtration costs, but more to the point threaten the potable water supply. He said normal use this time of year is 24 thousand gallons per day, but LEC is currently using 34 thousand.

He said the wells are very sketchy in the winter, as ground water levels lower and well production decreases. A 23 thousand gallon per day leak was discovered this spring in an older home service line. Dan says it is important to pay attention to water use in your home (check your crawlspace for leaks, listen for leaks, watch for surface water on your lot) so that leaks can be swiftly found and fixed.

Dan said projects this year include clearing of the upper silt pond, installation of a new street valve near the intersection of Haystack and Little Elk Creek Avenue, and cleaning of the wells to



improve their production. He also says he has come to favor metering of water use, as there is consistent suspicion of use for landscaping purposes somewhere in the neighborhood. He reminded owners that there is a long standing policy of assessing a \$1000 fine for such usage, and he is urging the Board to be strict on levying and enforcing such a fine. He noted that all previous leaks on the system have been on water service, rather than main, water lines.

Dan went on to say that Little Elk's water decree allows use of 15 to 16 acre feet of water per year. He said in 2017 28 acre feet of water were used, and so far this year, 13 acre feet have been used. This points up the need for vigilance regarding leaks and the critical nature of overuse should landscape be watered with potable (treated) water. This led in turn to a general discussion of water metering, including costs, placement of meters, how they might be read etc. Trustee Ott summarized by saying that regardless of placement on the service line (before or after the curb stop valve) 'nothing really isolates the problem'.

Leaks on the system are costing owner's money now, and the time may be coming when either the county or state will mandate metering. Trustee Voorhees said that with many 40 year old copper service lines to homes, 'more leaks are coming'. Little Elk's water operators, Environmental Process Control (EPC), installed a phosphate injection system to the Little Elk pumphouse in 2014, to address the copper deterioration issue. President Vogel added that Pitkin County now requires meter installations on 'substantial' construction or remodels. The Board will continue to discuss this issue and its costs and benefits.

4. **Covenant Committee Update-Trustee Jeff Edelson**

Jeff reported again that several meetings have been held with the idea of bringing the language of the covenants up to speed. The committee includes himself, Tim Vogel, Beth Blackmer, Holly Timms, Beth and Kent Meager and Dan Oppenheimer. He said there has been lots of controversy, and that many owner comments have been on the same topics and in the nature of repetitive gripes rather than constructive advice. He characterized the changes into two groups: administrative (less controversial) changes, and harder questions that will require consensus among owners. He said the committee is looking more for 'this is not clear, try saying it this way' type of response. The covenants were last amended in 2004, and the present intent is to amend them again, not to re-write them in their entirety.

Beth Blackmer said the committee is still seeking feedback on the proposed changes, as they are not hearing from enough people. They are trying to make this a better, simpler and more workable document for this and future Boards. There was a question regarding the \$4500 legal line item in the 2018-2019 budget, and how much of that might have been spent in review of the covenant changes. None had been spent at the time of the meeting, and both Beth and Jeff made clear that such expense (legal review) was farther down the road when the document reaches a more finished state.



There were comments from an owner present suggesting that owners in present non-compliance with the covenants be so notified by the Board. This was followed by comment from another owner that covenants never enforced cannot now be enforced. The last is likely a legal question, and would be informed by case law. Covenant changes require approval by a 2/3rds majority of owners, so there may ultimately have to be a special meeting of owners to finalize, and accept or reject the proposed covenant changes.

5. Treasurer's Report-Trustee Peter Voorhees/Bookkeeper Kim Clinco

The balance sheet as of April 30th, 2018, the profit and loss statement for July 2017 to April of 2018, and the approved 2018-2019 budget were provided to owners earlier in the meeting. Total assets as of July 1, 2018 were \$525,926.35 and \$467,680.46 on the corresponding date a year before. There was a \$9,847.39 operating surplus from the 2017-2018 year's operations. In 2017-2018 \$118,400 was added to the LEC capital reserve account.

President Vogel said the state of the Association's reserves was good, based on the projections from the 2015 reserve study. The Trustees have directed a review of the reserves by the vendor be conducted in light of the capital expenses incurred in the pumphouse addition and state mandated improvements to the water system, Manager Edquist reported that the approved reserve contribution for the 2018-2019 budget—in the effort to keep assessments at the prior year levels—would amount to \$104,187, with \$33,100 expected in capital expense for the same period. This means the reserve contribution this coming year will net \$71,087 vs. last year's \$118,400. There were no capital expenses charged against reserves in the 2017-2018 fiscal year. Owner George Johnson at this time recommended ratification of the approved 2018-2019 budget, which was endorsed by those owners/proxy holders in attendance, without dissent.

6. Election of Trustees

There were no declared candidates for the three seats-John Ott, Harvey Paparo, Jeff Edelson-available on the Board. Trustees Ott and Paparo ran, while Jeff Edelson declined re-nomination for these seats. Ott and Paparo were re-elected by acclamation. There followed a nomination/second and acceptance by owner Steve Whitlande for this final seat on the Board. The Board will set its officers at the next Board meeting, July 13th.

7. Other Business or concerns

President Vogel, in response to a question regarding the resolution of the Weiss lawsuit, said the suit was dropped by both parties in August of 2017, with protections insured against further legal action by either party, with what Tim said were final costs to the Association 'in the high 40's'.



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Jeff Edelson commented on fire mitigation around LEC properties, noting the Basalt Fire Department will conduct mitigation studies for owners without expense. Manager Edquist noted the possible need for covenants addressing drone use, solar installations, and exterior lighting to protect LEC's 'dark skies', as all have recently surfaced as common HOA issues.

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

TimVogel, President