



Board Meeting – March 2018

Wednesday, March 14th, 2018

The March meeting was held at the Firehouse. In attendance were Trustees Harvey Paparo, Tim Vogel, John Ott and Peter Voorhees. Trustee Jeff Edelson was unable to attend. Also present was Manager Keith Edquist and Kim Clinco of Rocky Mountain Accounting Services. There was no Board meeting held in February.

Meeting topics: Public comments re: business activities, dogs, poultry. Financial review, aging statements and preliminary budget discussion, tax filings, reserve study update; system leaks and water metering; updates on Pitco assumption of roadways; corporate report filing; vendor insurance certificates, Lindholm construction update, covenant changes meeting held in February.

Approval of Minutes—the Board approved the minutes of the January 10th, 2018 meeting without changes. These will be posted to the website.

Public Comment-Owner Paparo had comments regarding neighborhood businesses, dogs and dog stations, tenant's lack of observance of LEC covenants. Trustee Peter Voorhees again had concerns about overgrown areas in the neighborhood, both in the open space and people's lots.

Financials-Kim Clinco of Rocky Mountain Accounting provided an aging report as of March 10th, and balance sheet and profit and loss statements dated February 28th. Several owners were in arrears for the assessments levied in January, and one owner since October of 2017. Edquist will send notice of default letters to all.

The balance sheet shows \$19,853 in the operating account and \$516,174 in three reserve accounts. Over budget line items were seen in legal expense and chemical supplies for the water system. There is need for some minor reclassification of expenses related to the pumphouse improvements. Overall operations expenses were less than budget estimates by \$3773 at this point in the fiscal year. Annual meeting date was noted as the second Wednesday of June each year, this year falling on the 13th of that month.

There was discussion regarding the association's tax return, formerly prepared by the Reese Henry firm, and note that the website financials are out of date. Edquist will contact the Reese Henry firm, and Clinco is to work on preparing the updated quarterly reports.

There was brief discussion on the need to begin the budget process, in order for the proposed budget and meeting notice/proxy for the annual meeting to be mailed in May. With this in mind, Kim and Keith will begin work on the stable and predictable expense categories for 2018-2019, pending expected numbers for water system improvements from Dan Harris. Dan will be asked to attend the April Board meeting for this purpose. Possible update of the Reserve Study may also be warranted, given the expenditures for roadways and expansion of the pumphouse and related equipment upgrades. Edquist



was to inquire regarding needs/costs for an update from the vendor. Expected expense is in the neighborhood of \$1500. The Board will set the budget in the April meeting, informed by these costs.

Updates- President Vogel reported on progress with Pitkin County in regard to acceptance of the roadways. He had spoken with Public Works Director Brian Pettit but now says that a review of this matter with the County Commissioners had been held, but that he was not notified of this and did not attend. Pitkin County officials have stated to him that the commissioners declined to accept maintenance responsibilities for LEC roadways, so this matter is essentially closed at this time.

Manager Edquist reported that Attorney Hal Dishler had refilled the corporate report, having paid the \$100 penalty for failure to file; net expense \$250, for failure to file the LEC annual corporate report with the Colorado Secretary of State. Edquist also said the annual registration of the association with the Department of Regulatory Agencies (DORA) was completed on the 26th February. Both these filings are annual responsibilities for Little Elk.

Edquist said he had acquired certificate of insurance from the association's vendors and would continue to request these and share this information with accounting. RMAS is to maintain these for Little Elk's contracted services. In this vein, a representative from the association's insurance agency will be addressing the Board in the April meeting to answer any and all questions regarding the Little Elk policies. Management will provide background materials and information to the Trustees prior to that meeting date.

New Business –Owner Dan Harris provided a lengthy written report to the Board by email earlier in the week. There are issues with the water filtration, which is causing an unanticipated expense in their replacement. There continue to be leaks on the system, which impact overall use and consequently filtration, pump hours, electric consumption and both Dan and the water operator's (Environmental Process Control/EPC) time. The system is using something on the order of 31,000 gallons per day, and a leak or perhaps two is contributing as much as 18-19,000 gallons of that use according to Mr. Harris report.

This led to an extended discussion of costs associated with active leaks and a determination on the part of the board to more actively seek to resolve/find/eliminate leaks as rapidly as possible. To this end the Trustees felt there were funds available in the budget this year to allow Dan Harris to engage a vendor or vendors to assist in finding the leaks and cutting this use as rapidly as possible. President Vogel was to contact Dan and advise him of this directive from the Board.

Trustee Edelson prepared and sent out to the Board and management three documents for review of the covenant changes. Owners Blackmer and Oppenheimer had only received these as a forward from management, and wondered why there had been little recent communication with committee members. Beth said the present state of changes had been reached in August, and was frustrated with progress on this project. There followed discussion regarding distribution, responses, and then a motion and second to have management put out the documents for comment and to field owner responses,



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over a 30 day period, for forwarding to the Board and Committee. There was then the thought of having a member meeting in advance of the annual meeting to facilitate acceptance.

Unfinished Business-Only Trustees Ott and Vogel are current signers on the association accounts. One or all of the Trustees (Paparo/Voorhees/Edelson) still need to get to the bank with John Ott or Tim Vogel in order to become signers.

Keith had secured an updated report from Owner Tim Lindholm regarding the status of his construction project. The last approval received from the Board was in April of 2015, so there should have been completion of that part of this project by April of 2016. There still remain some unrelated projects on this home both for the exterior and the interior. Tim summarized by saying he expects completion by August of this year. Barring other active complaints, there was no directive given to management or this owner in respect of the remaining work.

Next meeting- the February meeting will not be held, next meeting to be the second Wednesday of March.

There being no further business to come before the Board, the meeting was adjourned at 8:50 pm.

Respectfully submitted,

Keith M. Edquist, Association Manager

Tim Vogel, LECVHOA President