



## Board Meeting May 2020

Wednesday, May 13th, 2020

### COMMON SPACE

The May meeting was held at the Common Space near the playground as the Firehouse was unavailable due to Covid19 considerations. For the same reason, there was no Trustee's meeting held in April of 2020.

In attendance were Trustees John Ott, Steve Whitelande and Joe Carlson. Trustees Harvey Paparo and Tim Vogel were unable to attend. Vogel appointed Whitelande as his proxy for the purposes of this meeting. Also present was Manager Keith Edquist. Bookkeeper Kim Clinco provided financial information by hard copy delivered by Edquist.

Meeting topics: Review of April financials; ACA matters regarding Stranger fencing and pond construction, discussion regarding funding of the meter installation project, Trustee motion and vote in regard to excavation contractors for the metering project, discussion of potential legal expense in relation to the metering project, approval of the 2020-2021 budget. Updates on Pitkin County Road Reimbursement, review of easement agreement attendant on Burke (nee Ann Grey) lot.

### Approval of Minutes

the Board approved the minutes of the March 11, 2020 meeting. These will be posted to the website.

### ACA

owner Clay Stranger submitted a pond construction plan after meeting George Johnson and neighbors Kent and Beth Blackmer regarding property lines, access to the ditch by equipment necessary to maintain it, and construction details of the fence previously approved. The submission being within the pond (irrigation source) guidelines, and with provision to President Ott of a revised and more detailed sketch for it, there was a motion to approve its construction, subject to review and sign off by Borum White Ditch Company manager George Johnson. All were in favor, Whitelande voting for Vogel as well. Owner Stranger provided his signature on the pdf form from the website accepting all responsibility for acquiring all Pitkin County permits.

### Financials

Kim Clinco provided balance sheet and profit and loss statements as of April 30th. The balance sheet showed total assets as \$840,936 of which \$774,875 were reserves and the operating fund balance \$66,060. Income through the 30th was at 95 percent of the budget and total operations expense through April was 63 percent. This led to a \$48,265 net operations surplus through the end of April. There have been no expenses charged to the reserves to this point in the year, and thus a \$90,515 surplus is shown in the net operating and reserve funds total. It is expected that some of the \$42,250 of reserve funds expense budgeted for this year will in fact be used for the approved main line meter installations prior to the end of the fiscal year June 30th.



### **Public Comment**

no owners were in attendance tonight and there were no public comments.

### **Reserve Study and Status of Reserves**

Manager Edquist reminded those present that he had worked with the Reserve Study spreadsheet using both the \$200,000 proposed expense for in-house meters, and the \$400,000 proposed expense for pit meters, and that in neither instance did reserve funding fall below the "low risk" level of 70 percent through 2048. This means that even using the higher end of the expected costs, owner assessments should not have to be increased beyond their present levels, and that there is little danger of a special assessment being needed. He wished the Board to understand however, that he has eliminated from the reserve study the \$460,000 line item dedicated to "asphalt mill and overlay" for LEC streets posited for 2034 with the expectation that that process will not be necessary, and instead the LEC roadways will again be chip-sealed. This led to a request by management for a motion, second and vote in order to document that the project will be funded entirely from reserves. Trustee Whitelande said he was not comfortable with such a motion at this time, given that final numbers on the meters, legal questions, and the costs of excavation are not yet solid and known. He also asked management to re-run the reserve spreadsheet including "asphalt mill and overlay" and to see into what status that would put reserves over the next 26 year time period (this is as far out as the present reserve study extends/projects).

Though the Board has discussed the funding for this project via the reserves in the recent past, there has not been a formal motion/second/vote to so fund it. When costs come into focus there will be such a motion and vote.

### **2020-2021 Budget discussion**

there were no obvious needs to adjust the assessment overall given the similarity of this year's budget to that anticipated for next. There was discussion of the legal fee item, and some line item changes may be made within the budget parameters in both the operations and capital expense sides for the coming year. Given the budget surplus so far in this fiscal year, the \$66,000 plus in retained earnings from prior years and the healthy level of reserves, there was consensus that the assessments could remain the same and the budget be adopted. President Ott made a motion to increase assessments by three percent, which died for lack of a second. Trustees Carlson and Whitelande, with proxy vote for Vogel, supported budgeting for 2020-2021 should be a repeat of last year's.

### **Water System**

Dan Harris did not attend the meeting, but had supplied the Board with bids for the excavation work, the potential costs of meters, and the communications systems necessary to operate the meters and reporting from same. After discussion and with the intention of keeping the metering project moving forward there was a motion (Whitelande) to accept Timberline Excavation as the contractor, a second (Carlson) and a unanimous vote including Vogel by his proxy Whitelande to do so. Dan Harris is to be notified and begin to arrange preliminary matters with Timberline.



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There followed discussion regarding the collection of data from the meters and whether that should be via cell phones/internet or a radio system reporting to an internet connection. This is yet to be determined. Legal counsel and legal expense was also discussed, but with no determinations made, as meeting with counsel has been complicated by the Covid19 stay at home orders from the county. It is clear greater study needs to be done on the reporting system the meters will utilize, and no one is comfortable moving farther without legal advice. With this in mind, Trustees were encouraged to make a list of potential questions to be vetted prior to submission for legal review.

There being no further business to come before the Board, the meeting was adjourned at 7:40 pm.

Respectfully submitted,

Keith M. Edquist, Association Manager

John Ott, LECVHOA President