



SPANISH PEAKS OWNERS ASSOCIATION

Spanish Peaks Owners Association Board of Directors met July 15, 2014 at the CrossHarbor offices located at 123 Snowy Mountain Circle in Big Sky, Montana. Directors in attendance included: Matthew Kidd, Bayard Dominick, and Karen Roberts.

1. **Establishment of Quorum:** Mr. Kidd determined that a quorum had been established.
2. **Call to Order:** Mr. Kidd called the meeting to order at 9:36 p.m.
3. **Minutes of June 13, 2014:** Motion made by Bayard Dominick and seconded by Karen Roberts to approve the June 13, 2014 minutes as presented. Motion unanimously carried.
4. **Ratification of Investment Resolution:** At the June 13, 2014 board meeting, the Board agreed for Ms. Roberts to transfer all but \$50,000 of the reserve fund from Wells Fargo to Edward Jones Investments. On June 18, 2014, the board signed the revised investment Resolution 2014-2.

Motion made by Karen Roberts and seconded by Bayard Dominick that Resolution 2014-2 Establishment of Investment Policy for Cash Deposits and Cash Reserves be ratified as amended. Motion unanimously carried.

5. **Snowplow Contract:** The Board discussed the advantages and disadvantages of accepting a three-year versus five-year snowplow contract with K7 Snow Works, Inc. (K7) Ms. Roberts stated reasons for accepting a five-year contract as follows:
 - a. K7's fifth-year base price of \$228,476 (excludes snow event plowing in October and May that is invoiced separately) is \$35,000 to \$45,000 less than the 2011 proposals from two competitors.
 - b. K7 has provided an exceptional snow clearing service for the past three years ensuring that roads with homes are cleared by 6:30 a.m. after each snowfall event.
 - c. K7 has not increased its base price since it began clearing snow in Spanish Peaks in the fall of 2011.
 - d. If a five-year contract is signed, K7 has agreed to clear Bitterbrush and Bucktail Trails when paved (paving is expected to be completed during the fall of 2014) using the paved road requirements at no addition cost to the SPOA. Currently these two roads are gravel and only need to be cleared when there is an accumulation of four inches. Paved roads are required to be cleared when there is a minimum of one inch of snow.
 - e. K7 is a local company that is eager to continue to provide a high level of snow removal service to the Spanish Peaks community.
 - f. The SPOA Board has a responsibility to the SPOA members to provide the best value for money spent. In FY2010, the SPOA reimbursed the Club at Spanish Peaks \$239,866 for snowplowing services and \$219,865 in FY2011. The FY2011 bids from other snowplowing companies were \$273,999 and \$264,000. In light of this cost information, it appears unlikely that another company would be able to supply the same quality of snowplowing services as K7 at a cost less than \$228,476, K7's fifth year contract cost.



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Mr. Dominick stated the following reasons for not accepting the five-year snowplow contract with K7:

- a. Five years is a long time and many things in the Spanish Peaks community will change by then.
- b. Over the next five years, it is expected that a number of more roads will be built and added to the snowplowing requirement.
- c. At some time in the future, the Developer may find a way to provide the same level of snow clearing service to the SPOA at a better price.

After much discussion, Mr. Kidd told Ms. Roberts that she could notify K7 that the SPOA will definitely accept a three-year contract, but that the Board needs more time in order to make a decision regarding acceptance of a five-year contract. The decision whether to accept the five-year snowplowing contract will be made at the next board meeting to be held on August 8, 2014.

6. **Ditch Remediation Work Needed**—Ms. Roberts reported that in the process of Secor Excavating performing the ditch maintenance work, ditches along the roads in the Cabin Condominiums (CCOA) and the Settlement Cabins (SCOA) are now lined with bare earth and need to be reseeded. Residents in both of the condominium are quite upset about the unsightly ditches and have communicated their displeasure to Ms. Roberts.

Since reseeding of the ditches was not included in the contract with Secor Excavating, the SPOA needs to pay for this work in order to prevent erosion of the exposed earth now lining the ditches. In her conversations with Jon Olsen, engineer for the Spanish Peaks development, Mr. Olsen agreed that seeding of exposed earth should have been included in the original contract signed in FY2013, but such a provision was not recognized by the SPOA Board, Alpine Property Management, or Secor Excavating.

Ms. Roberts provided the following update to the Board:

- She has signed a contract with Blanchford Landscaping to reseed the ditches along the roads in the area of the CCOA for a cost of \$1,980.
- Sam Luedtke of Alpine Property Management has obtained a quote from Forever Green Landscaping to reseed the ditches along the roads in the SCOA for a cost of \$5,500. Ms. Roberts has asked Mr. Luedtke to obtain two more quotations for this work since the Forever Green proposal seems excessive in relation to quotation for the work to be done in the CCOA.

To prevent this type of issue in the future, the Board agreed to have an engineer and the property manager review the ditches each spring prior to the commencement of any ditch maintenance work and advise Secor Excavating as to the extent of ditch work needed in specific areas.

7. **Preliminary FY2015 Budget**—Ms. Roberts presented a printout of the assumptions she is using for the FY2015 budget and asked for the Board's input on several items. Ms. Roberts will complete the preliminary budget over the next week and email copies to the other board members for their review and comments. Prior to the August 8th board meeting, Reserve Advisors will supply an update to the annual reserve contribution, so the board should be in a position to approve the FY2015 budget at its next meeting. Per



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the Declaration, next year's budget needs to be distributed to all SPOA members on or before September 1, 2014.

8. **Other Business**—No other business was discussed.
9. **Adjournment**— Motion made by Karen Roberts and seconded by Bayard Dominick for the Board to adjourn the meeting. Motion unanimously carried.

The next board meeting of the SPOA will be held on Friday, August 8, 2014 at 9:30 AM MST.

Meeting adjourned at 3:15 PM MST.

Bayard Dominick, Secretary for the Board

Date