

Tonto Hills Improvement Association

MINUTES
of the MEETING of the BOARD OF DIRECTORS

Wednesday, September 19, 2007
6:30pm- Christ the Lord Lutheran Church

The meeting was called to order at 6:35pm by President Rick Nelson.

BOARD MEMBERS PRESENT: Rick Nelson, Denny Maple, Richard Smail, Carol Landauer, Bill Victor, Dave Seymour, Bill Hayes

ABSENT: Bob Malliet, Curt Blik

GUESTS: Frank Villars, Bob Swan

- 1. ITEM OPENING COMMENTS:** Mr. Nelson asked the Board to consider a donation to the Sheriff's department. Mr. Nelson also reported having a meeting with the MCSO regarding controlling traffic speed in Tonto Hills. Sergeant Kerr of MCSO said they would send officers to Tonto Hills at irregular intervals to set up blind speed traps.

Mr. Nelson reported that several realtors are currently making claims on their Tonto Hills listings referring to imminent Scottsdale annexation and/or road paving. Mr. Nelson iterated the importance of all Board members asserting the same message if questioned by realtors, and he suggested the following statement be posted on the Tonto Hills website: "THIA is discussing the merits of annexation and paving, but no decisions have been made." The Board agreed.

Regarding Board votes on significant issues, Mr. Nelson suggested that all votes be documented yea or nay according to name of each Board member. Board agreed.

- 2. ITEM OPEN FORUM:** No comments.
- 3. ITEM SECRETARY'S REPORT:** Mr. Hayes motioned to approve August minutes. Mr. Seymour seconded. Motion unanimously approved.
- 4. ITEM TREASURER'S REPORT:** Mr. Smail presented results of 2006 audit. Current Total assets: \$70,929.09 Savings: \$56,472.71 Checking: \$14,456.38 Mr. Victor motioned to approve report. Mr. Maple seconded. Unanimously approved.

Mr. Nelson sought Board approval to make \$250 thank you donation to Christ the Lord Lutheran Church, noting it's already a budgeted item. Board approved.

- 5. ITEM COMMUNICATIONS AND REPORTS: ACC-** No meeting.

Environmental Report- Roads Committee: Mr. Seymour reported that Richard Wallace is scheduled to attend Town Hall Meeting on September, 20, 2007. Board discussed suggested topics, including: maintenance of roads, road bed issues (impact of decades of grading), road surface improvements, cost sharing, forming an improvement district, drainage/washes/run-off issues, PM10, coordination with utility company improvements so roads aren't improved until after water system is improved, payment issues related to how the community pays for paving- per property owner, per acreage, or per frontage footage.

Other questions include: Are graders responsible if they break a water pipe? Are there standard specs regarding how County is supposed to maintain the roads? Do we have a County Supervisor in charge of our community? If roads are paved, are there provisions for horse/walking paths?

Water Committee Report: Mr. Victor reports that he is currently obtaining bids from three engineering companies for a preliminary engineering report. He anticipates the report costing approximately \$10,000 to \$20,000. Mr. Victor reported that a formal appraisal will also be required in order to qualify for a WIFA loan, but he has no estimates on appraisal costs yet. Mr. Victor pondered the merits of a formal audit. Guest Bob Swan, licensed CPA in California with extensive accounting/auditing experience- and TH community member- offered his services pro bono to perform financial due diligence to determine operating costs of THUC, to make sure CAP rights are secure, to review contracts, and to explore any other questions THIA wishes to investigate. However, due to lack of AZ licensure, he cannot perform a formal audit. The Board discussed the merits of Mr. Swan's financial due diligence report vs. a formal audit. Another option is to perform financial due diligence first, then based on results, proceed with a formal audit.

Board engaged in extensive discussion regarding annexation to Scottsdale. Board also discussed moving forward with DWID formation, which would entail using \$10,000 to \$20,000 of general funds to complete the engineering report. **Board discussed the possibility of simultaneously starting pre-annexation negotiations with Scottsdale pursuant to 25% of property owners expressing interest**, while continuing with DWID acquisition of information (engineering, report, financial due diligence, and appraisal).

6. **ITEM ADJOURNMENT OF OPEN SESSION:** Billy Hayes motioned to adjourn. Denny Maple seconded. Unanimously approved.
7. **ITEM EXECUTIVE SESSION**
8. **ITEM RETURN TO OPEN SESSION- OLD BUSINESS:** Mr. Nelson will be assessing liens on three property owners who remain delinquent in their dues payments.

9. ITEM NEW BUSINESS: In response to a property owner's query, the Board briefly discussed the advantages and disadvantages of becoming an HOA. Board decided due to other pressing concerns, this option will be considered at a later date.

The Board agreed to not renew the bond for Phases 2 and 3 of Front Entrance project.

The Board agreed to call Desert Foothills Landscaping Company to review the contract and evaluate the quality of their work. The Board suggested that Frank Villars perform his pruning the day before the landscapers are scheduled so they can take the clippings to the dump. Board is also going to ask Mr. Villars to verify that Desert Foothills is adequately performing their duties.

10. ITEM ADJOURNMENT: Richard Smail motioned to adjourn. Bill Victor seconded. Unanimously approved. Meeting adjourned at 10:50pm.