

Tonto Hills Improvement Association

MINUTES
of the MEETING of the BOARD OF DIRECTORS

Wednesday, October 17, 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, Bob Malliet, Curt Blik

GUESTS: Frank Villars

1. **ITEM OPENING COMMENTS:** Mr. Nelson reported that the street sign and fire sign, located on center island on Old Mine Rd. near front entrance, were struck and felled by a vehicle on October 17. A police report was filed. Robert Kroger is obtaining an estimate to replace the fire sign. Billy Hayes is supplying an estimate to replace the street sign. In addition, Frank Villars agreed to procure an estimate to replace the saguaro that was struck down in an earlier traffic incident.
2. **ITEM OPEN FORUM:** Mr. Villars referenced comments made in the September Board meeting regarding completing water system improvements prior to moving forward with road paving. Mr. Villars expressed concern that road paving may be delayed until after infrastructure improvements were made and noted that Don Hadder, the Scottsdale representative who spoke at the Town Hall Meeting, is just one person in a chain of command.
3. **ITEM SECRETARY'S REPORT:** Mr. Victor moved to approve the September minutes. Mr. Hayes seconded. Motion unanimously approved.
4. **ITEM TREASURER'S REPORT:** Mr. Smail reports the following balances:
Savings account = \$56,662.84 Checking account = \$14,030.41 He also reports tax returns for 2006 have not yet been filed. Monies still owed for THIA dues = \$367.57. Mr. Nelson is currently working on filing liens on delinquent property owners.

Mr. Maple motioned to approve Treasurer's Report. Mr. Malliet seconded. Motion unanimously approved.
5. **ITEM COMMUNICATIONS AND REPORTS:** ACC- Mr. Hayes reports the ACC is seeking clarification on D of R setback requirements. Mr. Nelson agreed to seek legal counsel, specifically regarding how to legally determine what constitutes the rear fourth (or half) of a lot. The Board also requested that Mr. Hayes ask Eric Luker, ACC secretary, to email every Board member copies of ACC correspondence.

Environmental Report- Mr. Seymour reports that he intends to meet with Scott Smallish and Robert Kroger to compile a list of road locations in need of repair. He will then email MCDOT the information. Mr. Nelson reported that MCDOT'S traffic count number for determining PM10 is now 100 cars per day. Frank Villars volunteered to be a member of the Roads Committee with Mr. Seymour. Ms. Landauer asked for clarification regarding the purpose and goals of the Roads Committee. Mr. Nelson explained the purpose of the Roads Committee is to stay on top of MCDOT regarding the priority of road repairs, and to explore options for road surfaces.

Water Committee Report- Mr. Victor reports receiving proposals from three engineering firms. The proposals from Fluid Solutions, AZ Engineering, and Gannett-Fleming ranged from \$18,000 to \$20,000, with a two to three month schedule. Mr. Victor noted that an additional \$1,000 will be needed for a tank inspection. Mr. Victor highly recommended AZ Engineering (\$18,000/two month schedule). Mr. Victor also reported that an appraisal would cost several tens of thousands of dollars, and after meeting with Paul Johnson, an appraiser, the Water Committee does not think an official appraisal is necessary. First, WIFA does not require an appraisal. Second, Mr. Swan's financial due diligence report can provide such pertinent information as gross revenue and book value. Mr. Victor reported that the engineering report would address such concerns as ongoing exposure in the future to run the utility, including operating costs going forward based on the current system. Necessary repairs, maintenance requirements, etc. would be outlined. Other concerns include the absence of pressure-reducing valves and the depth of burial of pipes.

Mr. Smail agreed to continue to explore the option of annexation to Scottsdale if the Board agreed to sponsor a community-wide petition to determine property owner interest in the Scottsdale option. Board agreed to the petition.

The Board vigorously debated the main three options regarding the future of THUC: Scottsdale annexation, community ownership of utility/DWID, do nothing.

Mr. Victor motioned to approve funding of \$10,000 out of THIA general funds to help finance a Preliminary Engineering Report of THUC. (WIFA grant of \$10,000 will pay the balance.) Mr. Maple seconded. The vote was as follows: Mr. Blik: NO; Mr. Hayes: NO; Mr. Smail: NO; Mr. Seymour: NO; Mr. Malliet; NO; Mr. Victor; YES; Mr. Maple: YES; Ms. Landauer; YES; Mr. Nelson: YES. Motion defeated.

Mr. Smail and Mr. Seymour claimed they would reconsider their vote if Mr. Victor can provide a written contract with AZ Engineering, delineating the parameters of the contract and the services to be provided. A special Board meeting will be held November 1, 2007 to review this contract and repeat the vote.

6. ITEM OLD BUSINESS: No old business.

7. **ITEM NEW BUSINESS:** Mr. Smail inquired about ownership of the kachina on Old Mine Rd. The answer is that whoever owns that property owns the kachina, currently owned by Patrick Trotter.
8. **ITEM ADJOURNMENT:** Mr. Maple motioned to adjourn. Mr. Hayes seconded. Motion unanimously approved.