

Tonto Hills Improvement Association

MINUTES
of the MEETING of the BOARD OF DIRECTORS

Wednesday, January 16, 2008
6:30pm- Christ the Lord Lutheran Church

The meeting was called to order at 6:33pm by President Rick Nelson.

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

ABSENT: Bob Malliet

GUESTS PRESENT: Howard Bowker, Frank Casanova, Louise Day, Terry Luker, Eric Luker, Terry Glass, Cheryl Kaufman, Lou Frederick, Rick and Mary Pearson, Nancy Nelson, Rick Patterson

- 1. ITEM OPEN FORUM:** Eric Luker requested that the Board contact MCDOT regarding expediting repair of road at Deer Trail and Manana. Rick Nelson noted that repair has been completed but the new spillway is two thirds the size of the old one.

Howard Bowker asked about the survey mailing and the unauthorized P.O. Box associated with it. He wanted to know who opened it, why was it a P.O. Box instead of the official THIA address, and what was the reason for it. Mr. Nelson replied that Bob Malliet had set the P.O. Box up and sent out the survey mailing, but Mr. Nelson did not know why it was done. Mr. Smail explained it was a clerical error made by the Board. Mr. Nelson affirmed that the Board shares in the mistake but reiterated the Board does not know why it was done.

Mr. Bowker continued to ask why and implored the Board to find out the answer: "Ask Malliet." Mr. Nelson took that as an action.

Cheryl Kaufman claimed it was the Board's responsibility to get Mr. Malliet to answer these questions. She asked for a letter of explanation from Mr. Malliet to be read at the next Board meeting, including such information as the date the Box was opened, the reason for it, and the date the box was closed. Ms. Kaufman asserted that the community deserves to know if the Box is closed in order to avoid future misunderstandings and errors.

Mr. Nelson reported that THIA mailings will come from the secretary of the Board and will be returned to the proper THIA mailbox (except for the ballot mailing which is sent from and returned to Carefree Executive Services).

Mr. Glass asked why all mailings can't be sent to a third party. Mr. Bowker replied that it's the secretary's job. Mr. Nelson added that we're a community, and a property owner needs to present a reason to distrust and should be able to back up any innuendo. Mr. Glass stated that a third party could avoid mistakes, and if they don't do their job, we fire them.

2. **ITEM APPROVAL OF DECEMBER MINUTES:** Mr. Hayes motioned to approve the minutes. Mr. Victor seconded. Mr. Blik opened it up for discussion. Mr. Smail and Mr. Blik made several suggestions regarding corrections/modifications to the minutes. Ms. Landauer noted all suggestions and claimed she would make the requested changes. A motion was made to table the approval of the minutes until the February meeting. Mr. Victor voted no and Mr. Maple abstained. Motion approved.
3. **ITEM TREASURER'S REPORT:** Mr. Nelson reported \$11, 863 in checking, and \$57, 205 in savings, excluding invoices paid this week. Mr. Maple motioned to approve. Mr. Hayes seconded. Motion unanimously approved.
4. **ITEM COMMUNICATIONS AND REPORTS: ACC-** Mr. Hayes reported that between Lot 71 and Lot 72, there is a small piece of property that used to belong to the water company. The question is- who owns that property; does Lot 71? Mr. Hayes also reported that the November ACC meeting didn't start until 7:00; he was not notified and therefore missed it. Mr. Hayes noted that a question surrounding Lot 62 and a barn construction had to be straightened out with the County.

Roads/Environmental Report- Mr. Seymour reported that Manana/Deer Trail road damage had been fixed. Other bad places include caved-in spillways at Lots 10 and 52. Last month, the Board approved a request by Tom Bailey to send a letter to MCDOT asking for a meeting with Mr. Wallace and Supervisor Stapley regarding the condition and structure of the roads. The letter will go out shortly.

Water Committee Report- Mr. Victor reported that the PER (engineering report) process has begun, including a tank inspection. The financial due diligence (including meetings with Don Unthank and Foothills Accounting) is also ongoing with Bob Swan and the Water Committee. That is expected to be completed by the end of January. The engineering report should be completed by February 6, 2008. Mr. Victor reported that he was attempting to schedule a Town Hall meeting for February 19, 2008, and he reviewed guest speakers he was trying to get to attend. The Board discussed moving the Town Hall to February 25. Mr. Nelson added that THIA is working to provide as many facts regarding the PER and the CAP as possible.

5. **ITEM OLD BUSINESS: 2008 Ballot and Election Preparation-** Mr. Nelson reported that a letter announcing the date of the AGM went out at the end of December. All candidate letters are due on January 25, 2008. The 2008 Ballot mailing will go out some time after January 25. Mr. Nelson will send ballot material via email to all Board members to review.

COS Letter- The final count of the survey cards requesting more information regarding Scottsdale annexation was 114, or 47% of property owners. In regard to the survey card seeking more information about the DWID, 96 property owners voted yes, or 40%. Both vote counts included multiple votes for shared lot owners, with a possible total of 241 votes. Mr. Seymour said he had ten responses from the internet survey that he would forward to Ms. Landauer. Mr. Smail reported that he had one email letter from a person who said she did not receive a survey card. Mr. Smail asked how many properties are in consideration. Answer: 241 properties total; 231 owned by one owner; 9 properties (including 3 full properties and other fractional lots) owned by multiple owners; 1 property is unbuildable.

Mr. Blik asked how many people voted yes to seeking more information about both the DWID and annexation. Ms. Landauer said she would have that information at the next meeting.

The Board discussed the letter that will now be written to Scottsdale, informing them that 47% of property owners expressed interest in getting more information regarding annexation. Mr. Smail requested that the commercial lots be referenced in the letter, thereby presenting a total picture. Mr. Blik recommended that the letter include the fact that THIA was established in 1980.

Mr. Maple stated that he counts the number of lots eligible to vote as a total of 220. Mr. Nelson explained that for lots divided among owners, three people can vote on one property, so that one lot could generate three votes for the survey. Mr. Smail and Mr. Nelson are looking into this issue.

Mr. Nelson claimed that he did not want to reference the sale of THUC in the letter to Scottsdale, as he doesn't want to give Scottsdale too much information that isn't necessary, and he wishes to confine the letter to just the purpose of the letter. Mr. Maple agreed that we should just express interest in learning more about annexation, and we don't need to tell why.

Mr. Smail noted that our posture should be that Scottsdale would be getting a gem. What are they going to give us for it?

The Board agreed to send the letter.

The Board reviewed questions (generated by Mr. Nelson) to ask Scottsdale, regarding information needed relevant to annexation. Mr. Nelson indicated that Scottsdale does have an annexation policy, and if we can locate it, we can tailor our questions to the policy. Bob Swan suggested eliminating question # 16. Mr. Smail noted that question # 7 regarding ESOL requirements was unclear. Mr. Nelson explained that we need to compare COS requirements with County requirements.

Mr. Blik suggested that a letter should be sent to THIA membership, asking them what questions they want asked of COS. Mr. Smail questioned how we were going to

approach COS, who's going to go, and when. Mr. Smail suggested we discuss the process first before selecting questions to be asked. Mr. Nelson wanted to review questions first. Mr. Blik wondered if these questions could be answered at the Town Hall. Mr. Maple opined that we need 2 to 5 people to represent this community in negotiations with Scottsdale. The question then arose: How are we going to select those committee members? Mr. Blik suggested that the by-laws be amended to explain how Board committees get formed, so we would then have a formal process. Mr. Maple addressed the Board and the guests, asking who wanted to be on this committee. The following people expressed interest: Mr. Smail, Mr. Blik, Mr. Maple, Mr. Nelson, and Rick Patterson. The Board agreed to solicit additional volunteers via an enclosure in the ballot mailing. The Board would then choose members for the final committee. The Board will determine the direction the committee takes, creating a framework (questions, etc.) that the committee will use to carry out the process. Three committee members (Smail, Maple, Nelson) will generate ideas and bring them to the Board for approval. These three men agreed to meet on January 24, 2008 at Mr. Smail's office.

Attorney's Response to Fire Liability Question: Mr. Nelson read the letter to the Board. (See attached.) Mr. Smail responded that he did not think the questions were posed properly. He wanted to know what would happen if, hypothetically, someone is burned or dies in a fire, is there a possibility of a lawsuit in terms of negligence. Furthermore, Mr. Smail wondered if there were a way to create more of a disconnect with THVFD, as Mr. Smail stated that we were part of that organization. "No we are not," Mr. Nelson replied. Mr. Nelson explained that we supply a donation but we are not part of THVFD. Mr. Smail emphasized that he is not against the organization but wondered what would have happened if the Trotter fire had re-ignited and someone had died. Mr. Smail wanted to know the amount of liability insurance THVFD carries. Mr. Lou Frederick explained that amount is determined by the fire marshal and the insurance company. Mr. Nelson said he could also check with our insurance company. Mr. Smail responded that he feels more comfortable knowing the money provided to THVFD is a donation. Mr. Smail again presented his hypothetical scenario that a property is on fire and THVFD is the first responder, and they supposedly put the fire out. Rural Metro is sent away and later the fire re-ignites. Mr. Smail wondered if THVFD would we be liable. Mr. Nelson explained that based on information provided by Rural Metro, they will fight a fire and/or will not leave the scene of a fire until it is safe to do so, whether a property owner is a subscriber or not. The Rural Metro fire captain (or person in charge) will make that determination. It was also pointed out that 75% of all fire departments in Arizona are volunteer.

6. **ITEM NEW BUSINESS: Gold Hill Activity-** Mr. Nelson reported that dirt-moving equipment has been working on the hill recently. The Forest Service went up there and reminded them that they can't work on the Forest Service Rd. It appears that so far they have cut slope on their land and in the right of way of Desert Mountain land, where they are allowed to be. Mr. Nelson reviewed that he had talked to Rep. Mitchell regarding the 1882 Mining Act revision, but nothing has come of that thus far. The environmental attorney suggested we file a report with the Army Corps of

Engineers, as the wash is considered a tributary. All attempts to contact the owner, Mr. Roskes, have failed. Mr. Nelson asked the Board if we should file a report with the Army Corps of Engineers. Mr. Smail made a motion to approve filing the report. Mr. Maple seconded. Motion unanimously approved.

Town Hall Meeting on Water Committee Information- Mr.Smail wondered if we should have 2 to 3 separate meetings on different issues, meeting with Scottsdale first to determine whether or not a DWID is necessary for annexation. Mr. Victor replied that a DWID is a tool to get us where we need to go, but noted we do need the answer to that one question. Mr. Smail, Mr. Maple, and Mr. Nelson will discuss how to get that question answered promptly when they meet on January 24.

7. ADJOURNMENT- Mr. Hayes motioned to adjourn. Mr. Seymour seconded. Motion unanimously approved. Meeting adjourned at 9:00.