

Tonto Hills Improvement Association

MINUTES  
of the MEETING of the BOARD OF DIRECTORS

Wednesday, May 21, 2008  
6:30pm- Christ the Lord Lutheran Church

The meeting was called to order at 6:40pm by President Rick Nelson.

**BOARD MEMBERS PRESENT:** Rick Nelson, Carol Landauer, Denny Maple, Rick Pearson, Bill Victor, Lou Frederick

**ABSENT:** Bob Swan, Cheryl Kaufman, Joel Cohen

**GUESTS PRESENT:** Robert Kroger, Charles Civer, Mary Pearson

1. **ITEM INTRODUCTION AND OPENING COMMENTS:** Mr. Nelson handed out copies of the Board's State Farm insurance policy. Mr. Nelson requested that Board members review and formulate questions for the insurance agent prior to renewal this summer.
2. **ITEM OPEN FORUM:** No comments.
3. **ITEM APPROVAL OF APRIL MINUTES:** Mr. Pearson motioned to approve. Mr. Victor seconded. Minutes unanimously approved.
4. **ITEM APPROVAL OF TREASURER'S REPORT:** See report synopsis attached. As of 5/20/08, THIA had \$13,978 still due in assessment invoices. Checking balance = \$7,778.76 Savings balance = \$69,645.79 Mr. Maple motioned to approve. Mr. Victor seconded. Report unanimously approved.

Mr. Nelson suggested the Board codify some financial policies in writing regarding record-keeping, bill-paying, etc. Suggestions will be reviewed in June.

5. **ITEM COMMUNICATIONS AND REPORTS: ACC:** No ACC meeting this month.

**DWID Formation:** Mr. Civer, committee representative, reports that an agreement has been reached with THUC for purchasing the primary assets of THUC, and a Letter of Intent has been offered and accepted. Certain conditions must be met before the final Contract can be closed, including such items as THUC re-coating the water tank (inside and out), adding two lines to the system to allow two full loops, and purchasing two more acre feet of CAP allocation. The agreement is subject to the DWID obtaining financing from WIFA. We have applied to get on the priority list for a WIFA loan. The water delivery agreement with COS must be renegotiated. At each point in the process, THIA has the opportunity to back out of the contract if terms do not meet expectations. Sale price of THUC is \$442,000 plus THUC's approximate

loan balance of \$200,000. The DWID loan is intended to provide for start-up costs for the first year, as well as enough money for additional improvements such as pressure-reducing valves. The WIFA loan commitment of \$800,000 (not all of which may be used), translates into approximately \$3500 per lot up front, or \$20-\$25 per month based on a 20 year amortized loan at a 3% to 4% interest rate.

The County plans to provide a letter to homeowners explaining the DWID, which the Board will mail. The County is currently working on the petition. A Town Hall is scheduled for June 19 at 6:30 at Christ the Lord Lutheran Church. The purpose is to review the DWID process with the County for the first part of the meeting, and to discuss the DWID, THUC purchase (Letter of Intent, financial analysis/business plan, PER), and all other questions during the meeting's second half.

**COS Annexation Committee:** Mr. Maple reported that we have still not heard back from Don Hadder. Don Gerkin from COS contacted us and said, based on their review, that our washes (related to roads) looked OK except by the Dean's house.

Mr. Maple motioned to add Terry Luker as a consulting member of the Annexation Committee. Mr. Victor seconded. Motion unanimously approved.

Mr. Maple will be looking into Scottsdale's Hillside building ordinances and Environmentally Sensitive Land Ordinances that impact building/landscaping restrictions.

Realtors and others who contact THIA regarding the status of the annexation process will be referred to the City of Scottsdale.

**Environmental Report:** The Board discussed the possible source/reasons for the current traffic counters in Tonto Hills. Ms. Kaufman will look into it.

Mr. Pearson agreed to contact Eggen Weed Control to discuss renewal of their contract.

Options regarding replacing Frank Villars' former voluntary services at the front entrance include: 1) contracting Foothills Desert Landscaping to do additional work; 2) getting Kirk Landauer to volunteer. Mr. Landauer's services are contingent upon retrieving the tree trimmers the Board provided to Mr. Villars. Ms. Kaufman will inquire.

6. **ITEM NEW BUSINESS:** Donation of AED to THVFD- Mr. Maple questioned the need for all firefighters to be certified in its use. Mr. Nelson explained that the Board had stipulated such certification requirements as part of the donation, and additionally noted the value of such training for all THVFD firefighters.

Mr. Victor motioned to increase the cost of the donation to \$1285 to cover ancillary equipment for the AED, such as an extra set of pads. Mr. Pearson seconded. Motion unanimously approved.

Mr. Kroger reported getting a price quote from Ron Shields of \$4700 for one fire hydrant. This new hydrant would service 13 homes on Deer Trail. Due to large cost increases, THIA has not budgeted for this amount. Discussion deferred till next month.

Member Complaint Letters- Five TH neighbors asked the Board in writing to assist in trying to manage a persistent problem of barking dogs at one residence. The Board discussed the possible impact on property values and reviewed options. Mr. Nelson motioned that the Board will draft a courtesy letter to the dog owner in response to the written complaint, regarding the community disturbance caused by the barking dogs. Mr. Victor seconded. Motion unanimously approved.

Approval of newsletter- The Board reviewed and edited the rough draft of the DWID newsletter.

Correspondence- Mr. Frederick suggested that no correspondence be sent to community members or to city/county/state/ officials (or any other person) without first being vetted and approved by the Board. No committees are to send any letters independently. The Board unanimously agreed.

Insurance and Contractor Issues- Mr. Pearson inquired about THIA's insurance and workman's comp requirements for contractors. State Farm insurance agent will be consulted, and Mr. Pearson will ask Desert Foothills Landscaping to provide proof of Workman's Compensation insurance.

7. **ITEM OLD BUSINESS:** DWID Board- Mr. Victor motioned to add Scott Smallish's name to be recommended to the County as a member of the DWID Board. Mr. Maple seconded. Motion unanimously approved.

Letter request from Larry and Rita Lanham- The Board approved their request for a variance and agreed to send the response letter to our attorney for review.

8. **ITEM ADJOURNMENT:** Mr. Pearson motioned to adjourn. Mr. Maple seconded. Motion unanimously approved. Meeting adjourned at 9:50.