

THIS IS AN INFORMATION ONLY DRAFT COPY UNTIL APPROVED AT 2007 Annual Membership Meeting

Tonto Hills Improvement Association

Annual Meeting of the Tonto Hills Board of Directors.

Meeting Date March 23, 2006.

Members Present: Frank Villars, Curt Blik, Bill Hayes, Robert Kroger, Tammy Seymour, Rick Erslund, Rick Everett

Members Absent: Bob Malliet, Christine Anderson.

Opening Comments: Rick Erslund gives thanks to all the volunteers of the community including the fire department, ACC and current Board. Others mentioned for their service include Frank Villars, Richard Smail, Bill Hayes, Bob Malliet, Christine Anderson and Robert Kroger. Rick Erslund tells those in attendance that a committee is looking into a water district if the water company is to be sold.

Approval of March 31, 2005 Annual Meeting Minutes: Secretary Blik reads last year minutes. Theresa Fontaine makes a motion to post the minutes to the Tonto Hill's website and Board at the mail boxes within thirty days of the board's meeting. Someone from the floor seconds the motion and the motion carries. Charles Civer says the motion was unnecessary because a previous year's motion covered the posting of the minutes.

Robert Davis makes a motion to accept the minutes as read, seconded by Susan Herman. Chris Camiolo asks Secretary Blik if there were any additional items that were not read. Secretary Blik answers no. Chris Camiolo reads items from a copy of last year's annual minutes to the floor that Secretary Blik did not read. Robert Davis withdraws his previous motion to accept the minutes as read. Rick Erslund hands Secretary Blik a copy of the official minutes that were posted last year. Rick Erslund had received the copy from President Malliet via email or fax. Secretary Blik reads the official copy. The floor questions how many official minutes there might be? Secretary Blik explains to the floor the process of preparing the minutes. Hand written notes are taken at the board meeting then rewrote and e-mailed to the other board members for corrections. After one week if no further corrections are made a final copy is e-mailed to all board members and is then posted at the mail boxes. Secretary Blik read his personal copy that was an incomplete draft.

Treasurer's Report: Rick Erslund gives treasurer's report in the absence of Christine Anderson the Treasurer. The report includes a 2006/2007 budget, 2005/2006 budget, balance sheet comparison, and actual 2005/2006 expenses. The 2006/2007 budget lists a proposal #1 and proposal #2. Rick Nelson makes a motion to accept the treasurer's report as submitted and upon the annual audit. Robert Davis seconds, motion carries.

Discussion: The floor had a question about a letter that requested a copy of invoices from the attorney. Someone from the floor who wasn't recognized by the Chair but spoke anyway wanted to find out what was reviewed by the attorney.

Election: Rick Erslund reads the candidates for the Board of Directors and the candidates for the Architectural Control Committee. Rick Erslund asks the floor for any additional nominations. A motion is made by Sharon Hayes to close nominations for the Board and ACC. Someone from the floor seconds. The floor asks to keep it open for discussion. Someone asks why the names and lot numbers had to be included on the Ballots. Rick Erslund replied that an independent outside firm was hired by the board to count and in the past a system was implemented that didn't require lot or names. The floor questions the current Board why they did not have input on what was being voted on this evening. Secretary Blik explained to the floor that at last year's annual meeting a motion was made that a comprehensive review of the ACC guidelines and D of R's be conducted and recommendations be presented to the general membership no later than the next annual meeting. An informal self appointed ad hoc committee formed and worked on proposed revisions to the deeds of restrictions. The Board reviewed and discussed the proposed revisions at informal workshops. The board voted on a revised version of the proposed revision and it passed six in favor, three opposed. Secretary Blik states it's in the general membership's hand now with their vote. Chris Camiolo reads a statement about how a contractor Chris Camiolo hired to clear brush was photographed and hassled by President Malliet and a member of the ACC. Rick Erslund gives final call for all ballots.

Reports:

The ACC report is given by Eric Luker in the absence of George Drasek. The ACC worked well together they approved three houses, one office building, one barn, one greenhouse and one solar project. A few projects were rejected. A question from the floor asked if any projects went on before final approval was given. Eric Luker responded with an answer that was neither a yes or no. He talked about a pool fence and pool. Chris Camiolo talked to an ACC member asking if you could build a bus door.

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THVFD: Darryl Van Duyn gives summary. Last September annual event went well. The dumpsters are out. Make sure you clean debris around your home. The Dept. picked up a brush truck for \$4,500. The Dept will start to do drills with Rural/Metro. There are now a total of thirteen fire hydrants. The dept. is providing construction notices for builders building in Tonto Hills. The dept. had a visit from the Chief of the fire dept of Scottsdale. The Chief asked THVFD to get back in touch after the summer and they can talk about a potential contract for fire service or mutual aid agreement. There will be a fund raiser October 14 of this year. Someone from the floor asked if the dept. could ask construction workers not to smoke.

Water Company: Charles Civer represented a committee that was formed on the request of the water company's current owner. Charles Civer states it would take fifty-one percent to get a water district passed, though the County would like to see two thirds of the membership being supportive of a water district. The improvement district if formed would regulate fees and be responsible for the day to day operations. The general idea is that the property owners would control the water. WIFA would finance the purchase for Tonto Hills. Charles Civer talks of four steps that would happen in order to get water district up and running. The current water company would have to present the general membership with a contract. Charles Civer says it would be hard to get project financed without a WIFA loan. The membership would need consultants to look at the total cost of purchase as well as the operating cost. The final step would be for a petition to go out to get approval for a water district from the County.

Fire Hydrants: Residents were concerned about the lack of fire hydrants. Frank Villars reported that 7 tapping sleeves were put in last year with two new fire hydrants. The floor asked the board why two additional hydrants that were budgeted for this year were voted down. Frank Villars explained the board voted down the two fire hydrants because they did not feel it was prudent to add additional assets to the water company if the general membership would eventually own the water company. Secretary Blik corrected Villars and said the board did not vote it down but tabled the additional two hydrants because of the ownership issue and the cost overrun of 21% for last years seven tapping sleeves, two risers and two fire hydrants. Fire Chief Darryl Van Duyn thanks the board for the additional hydrants and says Rural/Metro will use the hydrants to fight fires.

Election Results: Karen of Foothills accounting reads results. "No" on the change to the D of R's. Board of Directors: Christine Anderson, Chris Camiolo, Ann Diciara, Rick Ersland, Theresa Fontain, Robert Kroger, Dennis Maple, Rick Nelson, Frank Villars. Architectural Control Committee: Eric Luker, Rick Patterson, Michael Rockwell, Michael Schlotman, Scott Smallish, John Witt.

Dumpsters: Cost is \$470.00/dumpster. There have been a six dumpsters to date.

Entrance Project: Frank Villars gives update. Phase one is completed except the painting. Phase two is curbs and landscaping for islands, estimated cost \$32,000. Phase three overhang and auto lighting for mail boxes. Estimated cost \$16,000 to \$20,000.

New Business: Garbage Pick Up. Theresa Fontaine makes a motion that the new board undertakes having one company provide service to Tonto Hills. Someone from the floor seconds, motion carries.

2006-2007 Budget Presentation & Dues Proposal: Rick Ersland gives proposed budget. John Stevens makes a motion that the dues for the coming year and the coming year only be set at \$240.00. Seconded by John Witt. Discussion follows. A motion by Rick Davis suggests that a straw poll be taken to see which budget option the membership would embrace.

2006-2007 Budget Presentation & Dues Proposal Cont: John Stevens withdraws his motion. Rick Nelson amends his motion, he moves the members present tonight provide a feeling to the board on which budget option to consider. Charles Civer seconds the motion. The floor asks why only two options why not more. Rick Ersland talks about our responsibility to set the next years dues at this annual meeting. Thirty One liked option one and Thirty-Five liked option two. A motion was made by the floor to raise the annual dues to \$150.00 someone from the floor seconds. Secretary Blik makes a motion to increase the dues for one year to \$250.00 with \$32,000 earmarked for phase two of the entrance project. John Witt seconds. Vote occurs, thirty four yes. Thirty five no. Because of the close vote Rick Ersland asks the floor to hold there paddles high for a re-count. The re-count is a tie thirty-five yes, thirty-five no. The general membership accepts the annual dues be set at \$150.00 for the coming year.

Membership Forum: A question is asked about what the board did about the roads and that the new board should look into something that can be placed onto the roads to control the dust.

Someone from the floor makes a motion to adjourn, motion is seconded. Meeting adjourned.

Respectfully submitted, Curt Blik, Secretary