

Tonto Hills Improvement Association

MINUTES
of the Board of Directors

Wednesday, April 11, 2007
6:30pm- Christ the Lord Lutheran Church

The meeting was called to order at 6:37 by Rick Nelson.

BOARD MEMBERS PRESENT: Rick Nelson, Carol Landauer, Curt Blik, Bob Malliet, Richard Smail, Bill Hayes, David Seymour, Denny Maples

ABSENT: Bill Victor

GUESTS PRESENT: Rick and Mary Pearson, Lou Frederick, Tom Bailey, Tom Classen (Desert Mountain Corp.), Darryl Van Duyn (THVFD)

1. ITEM ELECTION OF OFFICERS: Denny Maple motioned to nominate Rick Nelson as Board president. Billy Hayes seconded. Motion unanimously approved. Rick Nelson motioned to nominate Carol Landauer as secretary. Billy Hayes seconded. Motion unanimously approved. Denny Maples motioned to nominate Curt Blik as treasurer. Richard Smail seconded. Motion unanimously approved. Bob Malliet motioned to nominate Denny Maples as vice president. Dave Seymour seconded. Motion unanimously approved. Billy Hayes nominated Dave Seymour as environmental officer. Rick Nelson seconded. Motion unanimously approved. Bill Hayes was unanimously approved as ACC liaison.

THIA Board of Directors 2007:

President: Rick Nelson

Vice President: Denny Maples

Treasurer: undetermined

Secretary: Carol Landauer

Environmental Officer: Dave Seymour

ACC Liaison: Billy Hayes

Members: Curt Blik, Bob Malliet, Richard Smail, Bill Victor

2. ITEM OPEN FORUM: Tom Bailey commented on confusion regarding the proxy system used at the Annual General Meeting. He shared his opinion that a property owner expressed dismay that his three proxy votes went against the repeater system, when he was actually for it. Mr. Bailey wondered if other proxy votes were similarly misrepresented. Mr. Bailey suggested that regulations be established that required all motions to be published in advance in the ballot material. Rick Nelson explained that this is not feasible as not all motions are anticipated, and spontaneous motions from the floor may be presented at the meeting. Mr. Nelson added that an effort will be made to preview as many motions on the ballot as possible. Moreover, a thorough explanation of the proxy procedure, defining a proxy vote as giving the proxy holder full permission to vote for you on any motion, will be printed in the ballot material.

3. ITEM APPROVAL OF MINUTES- THIA BOARD MEETING, MARCH, 2007:

As not all Board members received a copy of the minutes, vote is postponed until May meeting.

4. ITEM TREASURER'S REPORT: As of April 7, 2007, Money Market Balance is \$54,595.24. Checking balance is \$2,595.09. Denny Maple motioned to approve the report. Billy Hayes seconded. Report unanimously approved.

5. ITEM COMMUNICATIONS AND REPORTS:

ACC REPORT: Denny Maple had no report to present as there have been no ACC meetings since the AGM.

THVFD REPORT: Darryl Van Duyn discussed the repeater system, its capabilities and effectiveness. He explained that the necessary antenna will be attached to his garage and extend 8' to 12' in the air. He reported that it does not qualify as a tower and therefore does not violate the D of Rs.

ENVIRONMENTAL REPORT: A) Dumpsters: Rick Nelson reported that we've used 7 dumpsters so far this year. He noted receiving several community requests for more dumpsters. B) Front Entrance: Rick Nelson reported that Frank Villars is willing to continue maintenance of the front entrance sprinkler system, but has requested that he receive a cash advance to avoid accruing out-of-pocket expenses. Bob Malliet motioned to pre-pay Frank Villars. Denny Maple seconded. Motion unanimously approved. C) Roads: Rick Nelson addressed road issues, listing three locations that have been removed from the County's maintenance list: 1) the short road from Cave Creek Rd. to La Plata; 2) the continuation of Old Mine Rd. to the Dean's home; 3) the cul de sac off Old Mine Rd. where the Kaufman's and O'Brien's live. Lou Frederick and Denny Maple claimed these roads are all on the original County plat. In an effort to get these roads and all others in Tonto Hills repaired and restored to health, the Board proposed forming a Road Committee, anchored by Scott Smallish and Dave Seymour, which will work to convince the County to rebuild all roads back to original grade. They will also petition for repairs to the chip-seal on Old Mine and for pruning all overhanging roadside vegetation. Billy Hayes motioned to form the Road Committee. Denny Maple seconded. Motion unanimously approved. D) Gold Hill Excavation: Tom Classen, Vice President of Desert Mountain Properties, reported that Desert Mountain lawyers are building a case if the Gold Hill mining expedition goes to the next level. Mr. Classen presented a letter written by Dr. Thomas Roskos, which stated Dr. Roskos' intentions for the property. The letter claimed that Dr. Roskos is improving the road in order to gain access to his property. He explained, "My motive is to only determine the value of my property which eventually I could use it for tax purposes when donating to my favorite charity." The Board discussed various alternative possibilities regarding future use of that land, and potential rights and responses designed to protect our community. Richard Smail and Rick Nelson will attempt to schedule a meeting with Dr. Roskos to gain clarity regarding Roskos' plans.

WATER COMMITTEE: Rick Nelson reported receiving an email from a property owner requesting that information on all possible options be presented before a vote is taken. Rick Nelson repeated his intention to provide accurate and thorough information regarding all viable options at future Town Hall Meetings. Rick reviewed the WIFA grant application for \$30,000, due next week. This grant would pay for an engineering analysis, an audit of the utility's books, and an independent appraisal of the utility's value. Richard Smail motioned to approve submission of the grant proposal. Denny Maple seconded. After some discussion of the grant application's content and wording, motion was unanimously approved. Richard Smail requested documentation of pro bono work already performed in this exploratory process. Mr. Nelson agreed to supply Mr. Smail a copy of the report. Further discussion centered on the viability of the two existing wells, as well as their permit status. The permit on the upper well is still in force.

6. ITEM OLD BUSINESS: Bob Malliet agreed to research and resolve a bill from the Marsical, Weeks, et al law firm for services rendered over two years ago.

7. ITEM NEW BUSINESS: A) THIA 2007-2008 Budget: Net Operating Budget left over from last year = \$9,857. Revenue = \$150 per property. Board reviewed each column in proposed budget. Mr. Nelson asked if we should finance additional dumpsters at \$450 each. Bob Malliet motioned to provide no more dumpsters. Billy Hayes seconded. Three approved motion. Four opposed motion. One abstained. Motion defeated. Rick Nelson reported that enough money remains in the already allocated budget to fund one more dumpster. Board discussed Phases II and III of front entrance project. Mr. Nelson reported the County has approved at least Phase II; the bond expires in August '07 and the permit expires in November '07. Rick informed the Board that costs have increased \$9,000 since the initial proposal, and yearly maintenance fees were not factored in to the original plan. (Unanticipated maintenance fees for Phase I total \$5,000 a year.) Richard Smail wondered if future front entrance improvements could be funded by donations. In continuing to review the budget, Darryl Van Duyn noted that THVFD has not had a budget increase in five years; they are requesting a \$5 increase per property owner as insurance rates and other expenses have increased. Richard Smail motioned to approve THIA 2007-2008 Budget. Dave Seymour seconded. Seven approved motion. One opposed. Motion passed. B) THIA 2007-2008 BoD Goals: 1) adopt written policies and procedures for ACC activities as well as for THIA financial activities; 2) consider publishing a Tonto Hills newsletter; 3) continue to hold Town Hall Meetings; 4) complete investigative due diligence regarding water company; 5) promote and support work of Roads Committee; 6) Build a Board that can function as a team. C) THIA BoD Calendar: Meetings will be held the second Wednesday of each month, pending coordination with ACC meetings.

8. ITEM ADJOURNMENT: Bob Malliet motioned to adjourn. Billy Hayes seconded. Unanimously approved. Meeting adjourned at 9:15pm.