

THREE CANYONS RANCH MASTER HOMEOWNERS' ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
April 14, 2021

1. CALL TO ORDER

Meeting called to order a 5:30 p.m. at the Palominas Fire Department Training Center, 9222 S Kings Ranch Road, Hereford, AZ.

2. ROLL CALL/INTRODUCTIONS

Present	Section	Absent	Section
Pam Hunter - P ✓	29*	Will Platt (out of town) ✓	28*
Marilyn Wardlow - VP ✓	20E		
John MacLeod ✓	19		
Lynn Mattingly ✓	20W		
Rich Sontheimer ✓	21		
Cathy Chouinard ✓	22		
Mike Needham ✓	23		
Rich Frederici ✓	21		
JoAnne Ehasz ✓	26		
Sarah Bradberry ✓	27*		

3. REVISION AND/OR ACCEPTANCE OF AGENDA

Revision: strike item G (Proposed rule on overhead power lines, CC&R 4.2.22)
Motion to accept agenda as amended, seconded, and approved by majority.

4. REVISION AND/OR ACCEPTANCE OF JANUARY 13, 2021, QUARTERLY MEETING MINUTES

Motion to approve minutes of January 13, 2021, BOD meeting, seconded, and minutes approved by majority (one abstaining).

5. CALL TO MEMBERSHIP

None

6. PRESIDENT'S REPORT

Update on the Friedman hangar property in 20E. HOA received a default judgement in early March. HOA has all legal power to take care of removal of hangar and cleanup of property. Cleanup was scheduled for April but had to push to May. State agency that regulates building

being removed might require confirmation of no asbestos. President will work on this process so a permit can be obtained to complete demolition of the building.

Reminder for board members: Per HOA's legal counsel, advice to not participate in discussions with representative of a specific builder remains in place. Refer callers to either Pam or Stachel & Associates.

The new and improved FAQ section is complete and ready for the HOA website. If anyone has additional information to add, please send to Pam. FAQ will be posted on the website April 15, 2021.

7. TREASURER'S REPORT

The Treasurer's report is attached to these minutes.

8. COMMITTEE REPORTS

MASTER DESIGN COMMITTEE (MDC)

The MDC report is attached to these minutes.

Committee meetings have been held virtually due to COVID restrictions

ROAD COMMITTEE

Recommend that ditches and culverts be moved back from 3C Rd. Met with R.L. Workman and they agree that as they continue to build, setbacks will be done at construction time.

Additional funding is needed for work on ditches. Beneficial to perform the work now. Motion to transfer additional \$7,000 from road savings into 2020-2021 budget, seconded, and approved unanimously.

Will meet with BNR Paving for recommendations for future maintenance/repair requirements. Will look at budget and future planning for road maintenance.

GATE COMMITTEE

East gate had been left opened using a key by the Palominas Fire Department. Fire Department did not remember leaving it open.

Continue to delete codes used by non-members.

Motion made and seconded to add Chris Truka (Covey Run) to the Gate Committee. Approved unanimously.

TRAFFIC CONTROL COMMITTEE

The Traffic Control Committee report is attached to these minutes.

Continue to seek new volunteers to assist on this committee.

Most cameras working very well. One, possibly two, need some adjustment. Working to get these aligned to clear picture of the license plate is available. Working with Rick to cancel codes still being used by non-members.

MAPS COMMITTEE

The Maps Committee report is attached to these minutes.

Updated a few roads in Section 27. Not many changes or transfers.

9. NEW BUSINESS, PART 1: APPOINTMENT OF A NEW BOARD SECRETARY

- a. Joyce Bender volunteered to be the BOD secretary. Motion made, seconded, and approved unanimously.
- b. Appeals

Open - Pranger – variance request to MDC disapproval for a setback for a new windmill. CC&Rs require 500' setback for windmill; actual setback available is 490'. Discussion included adjoining property (owned by Pranger), does windmill fall under renewable energy (ARS 44.1761), and how windmill will attach to existing structure. Motion to approve the variance was made, seconded, and majority approved. Approval for appeal required is 75%. Request for variance disapproved - requirement of 75% approval not met.

Open - Bell – variance request for change in setback from 100' to 50' on the south side of the property. Cochise County Flood Control requires 112' between wash on north side of property and a structure. To accommodate, south side of home necessitates request for change to 50' from property line. With property lines and country flood requirements for the wash, buildable footprint is tight. Has not applied to MDC yet, but he spoke to the MDC Chair. Motion to approve the variance was made, seconded, and approved by unanimous vote.

Closed – It was disapproved.
- c. Review of annual assessment costs presented by the Treasurer. Copy is attached showing options if current membership cost (\$15) remains the same or is lowered. Discussion included consequences of reducing assessments and maintaining current assessment amount to build a reserve for the expensive cost of ultimately replacing 3C Rd (estimated \$500k-\$1M). Motion to keep assessments the same for the coming fiscal year was made, seconded, and passed with majority vote.
- d. Discussion on proposed 2021-2022 budget included road expense, legal expense, and possibilities of moving additional monies into savings. Amended road maintenance budget to reflect maintenance being done in current year. Copy of projected expenses is attached. Motion made to approve the proposed budget as amended, seconded, and motion passed with a majority vote.
- e. Election Committee - Tom and Linda Gleason volunteered to comprise the voting committee again this year. Motion was made, seconded, and passed with unanimous vote.
- f. Voting guidelines and the draft annual election ballot were emailed to all board members for review. Request was posted on the website for members in good standing wanting to volunteer to serve as a board member, let Pam know. There were zero responses received. Request was made to have HOA's website clearly visible on all correspondence sent to members. A motion was made to approve voting guidelines and draft ballot as amended, seconded, and motion passed unanimously.

- g. To minimize undisclosed property transfers, it was proposed to impose a fine of \$200, in addition to the \$400 transfer fee, if the transfer is not disclosed to the HOA. Legal counsel suggested verbiage: *If a member fails to disclose transfer of ownership of property without going through the residential resale disclosure and/or transfer process, the parcel in question will be assessed a \$200 fine in addition to the \$400 fee, pursuant to the CC&Rs and ARS 33-1806. The fine will remain on the account of the property until paid.* Motion made to approve this proposed rule, as amended, seconded, and approved by majority of vote.
- h. Proposal rule on overhead power lines. This item was deleted.

10. CALL TO MEMBERSHIP

None

11. ADJOURNMENT

The meeting was adjourned at 8:30 p.m.

GLOSSARY OF TERMS / SYMBOLS

Term/Symbol	Meaning
*	At large
AB	Gravel used on edge of road to prevent road edge wear
CC&Rs	Covenants, conditions, and restrictions
HOA	Homeowners Association
P	President
S	Secretary
T	Treasurer
VP	Vice President

TREASURER'S REPORT

For April 14, 2021

1. Income YTD: \$215,919.00
2. Expenses YTD: \$120,595.00
3. Checking Account Balance: \$86,392.00
4. Balance for Savings Account as of April 2021: \$85,457.00
5. Balance for Road Account as of April 2021: \$135,982.00
6. Balance for Const. Deposit Account as of April 2021: \$7803.00
7. Not a lot of activity the last 3 months.

Questions.

MEMORANDUM FOR: 3 Canyons Ranch Master Homeowners (3C) Board of Directors (BOD)

SUBJECT: Master Design Committee (MDC) Summary – 14 April 2021

The following synopsisizes key MDC activities for the period 13 January 2021–13 April 2021.

a. GENERAL:

(1) The MDC received and responded to multiple general inquiries, requests for information and requests for assistance from both members and prospective members during the period.

(2) The MDC Guidelines were updated on 21 January 2021. This revision reflects (1) changes to the Exterior Color Scheme approved by the MDC Committee in December 2020 and subsequently brief to the 3C Board of Directors (BOD) on 13 January 2021, (2) incorporates changes to well setback requirements approved by the BOD on 13 January ("Rule 19") and (3) various minor edits to promote clarity. The revised guidelines were legally recorded with Cochise County on 3 February 2021 and subsequently published on the 3C HOA Website.

b. MEETINGS. The MDC held 3 formal meetings during the period to consider MDC business. "Virtual" meetings were conducted via email out of an abundance of caution due to the ongoing COVID situation on 09 February, 09 March and 13 April. Meeting details are captured in the published / archived MDC agendas. The MDC intends to conduct an in-person meeting on 12 May due to the improving COVID situation and the recent easing of state & local mandated restrictions.

c. APPLICATIONS / VIOLATIONS. The MDC considered 17 Applications during the period. The MDC approved 15 applications including 6 for New Residences (parcels 043, 071, 280, 282, 287 and 280) and Disapproved / Tabled two applications (parcels 059H, 109F) which members reportedly intend to petition the BOD for a Variance. The MDC also received 3 potential CCR violations (resolved). Details are reflected in the published MDC agendas; MDC Voting Records and subsequent pertinent notifications.

Respectfully submitted,

Will Platt

WILL PLATT
MDC Chair
3C HOA

MAP COMMITTEE REPORT
APRIL 14, 2021

Updated Section 27: adding roads to the map.

No Transfers received so no other updates to name/square footage maps.

No notice of land splits or combinations.

TRAFFIC CONTROL COMMITTEE REPORT
APRIL 14, 2021

Continue to work with The Camera Guys to position cameras to get good quality pictures of license plates for trespassers.

Have not viewed cameras in a while as I have been working on next fiscal year's budget.

Sent several dates/times for the Gate Committee to check on code usages.
Several Codes were deleted.

Continue to need volunteers to monitor videos and report to Gate Committee.

FINANCE COMMITTEE
APRIL 14, 2021

No meeting held. Committee has been placed on hold.

Respectfully Submitted,

Donna R. Willard

**2020-2021 EXPENSE BUDGET VS ACTUAL AND 2021-2022 PROJECTED
EXPENSES**

PROJECTED INCOME AT DIFFERENT ASSESSMENT RATES

DESCRIPTION	2020-2021 Budget	2020-2021 Actual as of March	Shaded amounts = Increase in Budget Projected Expenses
Expenses Total	\$188,314.00	\$112,639.00	\$145,435.00
Admin	\$7,220.00	\$7,835.00	\$8,445.00
Board	\$500	\$1,700.00	\$700.00
MDC	\$150	\$180.00	\$250.00
Gate	\$200	\$56.00	\$100.00
Road	\$100	\$69.00	\$100.00
Documents	\$100	\$30.00	\$30.00
Map	\$100	\$0.00	\$195.00
Website Maint	\$70	\$0.00	\$70.00
Construction Deposits Refund	\$6,000	\$5,800.00	\$7,000.00
Accounting	\$2,500	\$2,166.00	\$2,500.00
Attorney	\$99,000	\$53,899.00	\$60,000.00
Litigation	\$30,000	\$12,798.00	\$15,000.00
Professional Services	\$32,000	\$16,483.00	\$18,000.00
Administration	\$37,000	\$24,618.00	\$27,000.00
Insurance	\$7,324	\$0.00	\$7,600.00
Board	\$2,300	\$0.00	\$2,400.00
Property	\$5,024	\$0.00	\$5,200.00
Taxes	\$780	\$639.00	\$100.00
Gate	\$18,490	\$9,455.00	\$18,790.00
Warranty	\$8,000	\$5,760.00	\$8,000.00
Utilities	\$2,190	\$1,928.00	\$2,190.00
Lighting	\$300	\$0.00	\$300.00
Remotes & Cards	\$1,500	\$1,767.00	\$1,800.00
Maintenance	\$1,500	\$0.00	\$1,500.00
Repair	\$5,000	\$0.00	\$5,000.00
Road	\$45,000	\$35,183.00	\$45,000
Maintenance	\$30,000	\$11,731.00	\$10,000
ROW/Mowing	\$12,000	\$20,710.00	\$32,000
Fence	\$3,000	\$2,742.00	\$3,000
Traffic Control	\$8,000	\$3,462.00	\$3,000.00
Maintenance/ Cloud Fees	\$3,000	\$0.00	\$1,000.00
Equipment/Miscellaneous	\$5,000	\$3,462.00	\$2,000.00
Budget			
Contingency- Savings	\$30,000	Based on \$14.00 per Membership	
Road Savings Account	\$0		
Const. Deposit Savings	\$7,000		

2021-2022 Projected Total Income Budget @ \$15.00	2021-2022 Projected Total Income Budget @ \$14.00	2021-2022 Projected Total Income Budget @ \$13.00	2021-2022 Projected Total Income Budget @ \$12.00	2021-2022 11,505 Memberships
\$208,123	\$197,218.00	\$185,713.00	\$174,208.00	

(\$933 to CC, \$110 for bee removal)
(Per e-mail from Will)

Per E-mail

Per phone Call
3-24-2021

2020-2021 PROJECTED VS ACTUAL INCOME

	2020-2021 BUDGET	2020-2021 Actual as of March 2021
Projected Income Total	\$199,665	\$213,928
2021-2022 Assessments		
2020-2021 Assessments	\$167,880	\$162,852
2019-2020 Assessments	\$3,749	\$5,416
2018-2019 Assessments	\$2,865	\$1,126
2017-2018 Assessments	\$1,177	\$454
2016-2017 Assessments	\$675	\$120
2015-2016 Assessments	\$165	\$0
2014-2015 Assessments	\$154	\$0
PREPAYMENT 21-22	\$0	\$852
Late Fees	\$1,500	\$1,802
Assessment Interest	\$1,500	\$1,900
Bank Interest	\$0	\$27
Gate	\$1,000	\$1,825
MDC	\$800	\$1,800
Transfer Fees	\$10,000	\$11,000
Recovered Legal Expenses	\$5,000	\$4,052
Recovered Admin. Expenses	\$100	\$0
Construction Deposits	\$3,000	\$7,400
Miscellaneous Deposits	\$100	\$13,302

Shaded Amounts =
More than Budgeted

PROJECTED INCOME AT DIFFERENT ASSESSMENT RATES

2021-2022 Projected Budget @ \$15.00	2021-2022 Projected Budget @ \$14.00	2021-2022 Projected Budget @ \$13.00	2021-2022 Projected Budget @ \$12.00	11,505 Memberships
\$208,123	\$197,218	\$185,713	\$174,208	
\$172,575	\$161,070.00	\$149,565.00	\$138,060.00	
\$5,028.00	\$5,028.00	\$5,028.00	\$5,028.00	
\$154.00	\$154.00	\$154.00	\$154.00	
\$1,739.00	\$1,739.00	\$1,739.00	\$1,739.00	
\$723.00	\$723.00	\$723.00	\$723.00	
\$555.00	\$555.00	\$555.00	\$555.00	
\$165.00	\$165.00	\$165.00	\$165.00	
\$154.00	\$154.00	\$154.00	\$154.00	
\$0.00	\$0.00	\$0.00	\$0.00	
\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	
\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	
\$30.00	\$30.00	\$30.00	\$30.00	
\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	
\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	
\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	
\$4,000.00	\$5,000.00	\$5,000.00	\$5,000.00	
\$100.00	\$100.00	\$100.00	\$100.00	
\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	
\$500.00	\$100.00	\$100.00	\$100.00	

Lot sale

2020-2021 PROJECTED VS ACTUAL INCOME

	2020-2021 BUDGET	2020-2021 Actual as of March 2021	PROJECTED INCOME AT DIFFERENT ASSESSMENT RATES				11,505 Memberships
			2021-2022 Projected Budget @ \$15.00	2021-2022 Projected Budget @ \$14.00	2021-2022 Projected Budget @ \$13.00	2021-2022 Projected Budget @ \$12.00	
Projected Income Total	\$199,665	\$213,928	\$208,123	\$197,218	\$185,713	\$174,208	
2021-2022 Assessments			\$172,575	\$161,070.00	\$149,565.00	\$138,060.00	
2020-2021 Assessments	\$167,880	\$162,852	\$5,028.00	\$5,028.00	\$5,028.00	\$5,028.00	
2019-2020 Assessments	\$3,749	\$5,416	\$154.00	\$154.00	\$154.00	\$154.00	
2018-2019 Assessments	\$2,865	\$1,126	\$1,739.00	\$1,739.00	\$1,739.00	\$1,739.00	
2017-2018 Assessments	\$1,177	\$454	\$723.00	\$723.00	\$723.00	\$723.00	
2016-2017 Assessments	\$675	\$120	\$555.00	\$555.00	\$555.00	\$555.00	
2015-2016 Assessments	\$165	\$0	\$165.00	\$165.00	\$165.00	\$165.00	
2014-2015 Assessments	\$154	\$0	\$154.00	\$154.00	\$154.00	\$154.00	
PREPAYMENT 21-22	\$0	\$852	\$0.00	\$0.00	\$0.00	\$0.00	
Late Fees	\$1,500	\$1,802	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	
Assessment Interest	\$1,500	\$1,900	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	
Bank Interest	\$0	\$27	\$30.00	\$30.00	\$30.00	\$30.00	
Gate	\$1,000	\$1,825	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	
MDC	\$800	\$1,800	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	
Transfer Fees	\$10,000	\$11,000	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	
Recovered Legal Expenses	\$5,000	\$4,052	\$4,000.00	\$5,000.00	\$5,000.00	\$5,000.00	
Recovered Admin. Expenses	\$100	\$0	\$100.00	\$100.00	\$100.00	\$100.00	
Construction Deposits	\$3,000	\$7,400	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	
Miscellaneous Deposits	\$100	\$13,302	\$500.00	\$100.00	\$100.00	\$100.00	

Lot sale