THREE CANYONS RANCH MASTER HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
January 13, 2021

1. CALL TO ORDER

- Meeting called to order at 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
Rick Sontheimer	21	Cathy Chouinard (out of town)	22
Rich Frederici	24		
Pam Hunter – P	28*		
JoAnne Ehasz	26		
John MacLeod	19		
Mike Needham	23		
Will Platt	29*		
Marilyn Wardlow – VP	20E		
Sarah Bradberry	27		

3. REVISION AND/OR ACCEPTANCE OF AGENDA

- Add to the agenda the one proposed rule from Rick about setbacks exempting wells and a discussion topic about overhead power from Mike, both of which were emailed to the BoD.
- Motion to accept agenda as amended, seconded, and there was a unanimous vote to accept.

4. REVISION AND/OR ACCEPTANCE OF OCTOBER 14, 2020 QUARTERLY MEETING MINUTES

- Motion to accept minutes as amended, seconded, and there was a unanimous vote to accept.
- Pam said she wrote and posted on the website a special meeting minutes document for October 22, 2020 when the board held a special session for voting on the revised MDC Guidelines. This was despite that there is no requirement for posting special meeting requirements.

5. CALL TO MEMBERSHIP

- None.

6. PRESIDENT'S REPORT

- Update on the Friedman hangar property in 20E. After the board approved in October 2020 to initiate legal proceedings against the hanger property, parcel # 104-27-052P, the owner was served with the legal paperwork detailing the numerous CC&R violations. No response from the owner was received. With back taxes and liens on the property, the next step in the process is waiting a required length of time, then our attorney will file for a default judgment hearing, likely in March. If the judge signs the default judgment order, the vendor that submitted the lowest bid for demolition of the building will then require 3 weeks to set a date for demo and cleanup of the property. The beehive with Africanized bees was removed by a beekeeper in October 2020.

- The 8-acre parcel owned by the HOA sold in November when Pam signed the closing paperwork. The HOA took a loss of $1684 total on the property. I informed the attorney that the HOA does not want to own any more properties that are in arrears on assessments, so there will be no more bids submitted if a 3C property is foreclosed.
- An FAQ section (Frequently Asked Questions) is planned for the HOA website in the future. Everyone is asked to email any suggestions to Pam.
- Pam is planning for next summer's election to get prep done before Michele's busy time in April-July working on ballots and assessments. She will email a draft ballot and updated voting guidelines to the board before the April meeting. Pam asked board members who are up for reelection if they wanted to run for their respective sections on the ballot (odd # sections are on the ballot in 2021). All those board members answered "yes" they want their names on the ballot (Mike, Rick, Sarah, John).
- Admin note from the attorney's office - Several members have been requesting statements of good standing from Michele, typically for refinancing on their properties. This process must go through the lender, as it can be time-consuming for Michele. There has always been a standard $100 fee for this legal procedure, so members should have their lender submit the request to the attorney's office.
- Reminder for board members: Per HOA's legal counsel, do not discuss or advise HOA members on assessments or legal issues. Board members should direct them to contact Michele DoPadre.

7. TREASURER'S REPORT

- The treasurer's report is attached to these minutes.
- Money that is recouped from litigation by members not paying assessments is reflected on the financial reports that Donna sends out as income for the respective fiscal year that is owed.
- Reminder for members: As is the same every year with the HOA, all assessments are due by July 1. A 10% late fee is charged 15 days after July 1, and interest begins to accrue on August 1 at 18%, per the CC&Rs.

8. COMMITTEE REPORTS

- Master Design
  The MDC report provided by Will is attached to these minutes. The updated MDC paint color chart is in the MDC Guidelines posted on the HOA website.

- Road
  AB has been put down on 3C Rd as needed. More traffic dots have been replaced at the gates. Work will be completed soon on the ditch at the south side of Cielo Grande/3C Rd./Mellak Rd. There are no significant projects planned at this time.

- Traffic Control
  The report is attached to these minutes. Efforts continue to get the close-up cameras installed at the west gate. Volunteers are still sought to assist with tracking the traffic camera footage on a regular basis, and anyone interested should send an email to Donna, and a note will be put on the

- Gate
  The west gate closure timing was changed to 20 seconds, and it seems to be working well. A recent accident at the west gate was discussed. Donna assisted with going through camera footage of the accident. Rick reminded members not to allow other vehicles to enter 3C behind them at either gate.

- Maps
  The report is attached to these minutes. Updated maps are now posted on the HOA website. Donna continues to update maps based on updates received from Michele after transfers are processed.

- Finance
  The report is attached to these minutes. The committee does not recommend investing HOA funds now as the economy and market are unsteady. The HOA has adequate funds available for a major emergency such as replacing 3C Rd. Donna stated that the Finance Committee will stand down for foreseeable future until there is a need for it.

- Governing Documents – None. A suggestion was made by Marilyn to no longer have the governing documents committee due to no reports in years. The board voted unanimously to permanently disband this committee.

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

- The recent volunteer for secretary did not attend this meeting. Pam volunteered to put the minutes together. This appointment will be tabled until the April meeting for the volunteer to attend.

NEW BUSINESS, PART 2: APPOINTMENT TO FILL SECTION 20W BOARD SEAT

- After John Langholff's resignation in October 2020 from the 20W board seat, Pam posted on the website that the seat was available. One person who owns property in 20W contacted Pam to volunteer for the board seat, and their good standing status was verified, but they did not attend the meeting. Pam asked if there were any 20W owners in attendance who wished to volunteer, and Lynn Mattingly volunteered. The board voted unanimously to appoint him to the 20W board seat.

NEW BUSINESS, PART 3: APPEALS

- There was one closed appeal and two open appeals. The board meet privately to the closed appeal, which resulted in disapproval by a vote of 8 against the appeal, 1 for the appeal, and 1 abstained. The first open appeal was from the Rendons, who were in attendance. The appeal for a variance for a different paint color (gray) from the HOA paint chart was discussed and determined to be moot by the board after the updated MDC paint color chart was approved to be included. The second open appeal was from the VanFlossans, who were in attendance. They appealed $800 for 2 $400 transfer fees after their new home build contract with Sun Canyon Homes fell through. Their quit claim deed to the builder and then quit claimed back to them resulted in $800 on their HOA account that they paid in full. The VanFlossans spoke about their situation with their builder. The board does not have the authority to refund or waive "future" transfer fees, as the VanFlossans had also requested with its new builder. All HOA members are required to pay transfer fees that have been established for more than a decade. The board had a discussion and voted to approve the VanFlossans' appeal with 6 approving and 4 disapproving.

NEW BUSINESS, PART 4: PROPOSED RULE TO CC&Rs 4.3.4

- Rick proposed a rule to exempt wells and associated equipment from the setback requirement of 100 feet from property lines, as stated in CC&Rs 4.3.4. The board had a lengthy discussion on this topic. Wells have previously never been exempted nor have wells been considered by the MDC in the past as not being an item needing exemption from the setback. Rather, it was informally considered a utility as listed in 4.3.4 The recent legal opinion from the HOA attorney was that wells should not be considered a utility or any equipment that is excluded from the setback requirement. If the board continues forward with the legal opinion, every proposed well location within 100 feet of a property line would be denied by the MDC, and if that member would not/could not change the location of the well, they will have to submit an appeal/variance request to the board, which would only be considered once a quarter at board meetings. To everyone's knowledge, no proposed well site has ever been disapproved by the MDC in the past. Will asked the board to consider providing clear guidance for the MDC. The board voted to approve the new HOA rule with unanimous board approval. It will read as follows:

  "Wells and well-shares are not considered an 'improvement' and do not comply with Section 4.3.4. Wells, pressure tank pads, and stand-alone electrical posts within Three Canyons must comply with the following setback:

  a. Wells will be no less than 50 feet from the closest property line.
  b. Well-shares may be placed on the property line of the properties that are serviced by the well-share."

NEW BUSINESS, PART 5: DISCUSSION OF HOA'S DENIAL OF OVERHEAD POWER LINES IN CC&Rs 4.2.22

- Mike asked that the board discuss the CC&Rs stating that overhead power lines not be allowed after the initial 3C investor was no longer in charge of 3C properties in the mid-late 1990s. The HOA attorney's legal opinion provided to the board in the summer of 2020 stated that overhead power lines are prohibited after new home construction is completed (overhead is allowed temporarily during construction of a new home build). No new rule was proposed by Mike, but he asked that the board discuss the CC&Rs 4.2.22 consider his interpretation that all power lines need not be buried (except from the property line to the house) and be allowed to be overhead because buried cable is very expensive from the electricity companies. The president stated that the option is there for the board to put this topic on the election ballot to change the CC&Rs via the membership. The board voted 9-1 to take no further action at this meeting.

11. CALL TO MEMBERSHIP

- None.

12. ADJOURNMENT

- Motion to adjourn, seconded, no discussion, unanimous vote to adjourn. The meeting was adjourned at 8:10pm.

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
January 13, 2021 Meeting

1. Income YTD as of January 11, 2021: **$207,271.00**
2. Expenses YTD as of January 11, 2021: **$103,173.00**
3. Balance for Checking Account as of January 11, 2021: **$103,645.93**
4. Balance for Savings Account as of January 11, 2021: **$85,453.15**
5. Balance for Road Account as of January 11, 2021: **$135,976.29**
6. Balance for Const. Deposit Account as of January 11, 2021: **$4802.96**
7. T. Brown Parcel 092B, 8 acres, Section 24 Sold for $11,542.00. Deposited December 1, 2020. Sold at a $1,684.21 Loss. The $11,542.00 was transferred to the Contingency Savings Account.
8. Any Questions?

Respectfully Submitted,

Donna R. Willard

3 Canyons Ranch 2020 - 2021 Monthly Budget

Beginning Balance: Jan. 2021 | Ending Balance:

	MONTHLY	YTD	BUDGET	REMAINING	Previous Month	Itemized Entries		
Income Total	**$14,510**	**$207,446**	**$213,391**	**$5,945**	$192,936	1/9/21	1/15/21	
2020-2021 Assessments	$0	$160,536	$167,880	$7,344	$160,536			
2019-2020 Assessments	$0	$4,276	$16,326	$12,050	$4,276			
2018-2019 Assessments	$0	$886	$2,256	$1,370	$886			
2017-2018 Assessments	$0	$454	$2,632	$2,178	$454			
2016-2017 Assessments	$0	$120	$963	$843	$120			
2015-2016 Assessments	$0	$0	$180	$180	$0			
2014-2015 Assessments	$0	$0	$154	$154	$0			
PREPAYMENT 20-21	$0	$852	$0	($852)	$852			
Late Fees	$0	$1,427	$1,500	$73	$1,427			
Interest	$0	$1,347	$1,500	$153	$1,347			
Gate	$175	$1,270	$1,000	($270)	$1,095		175	
MDC	$0	$600	$800	$200	$600			
Transfer Fees	$0	$4,800	$10,000	$5,200	$4,800			
Recovered Legal Expenses	$0	$3,054	$5,000	$1,946	$3,054			
Recovered Admin. Expenses	$0	$0	$100	$100	$0			
Construction Deposits	$0	$1,800	$3,000	$1,200	$1,800			
Miscellaneous Deposits	$14,335	$26,024	$100	($25,924)	$11,689	14335		
Expenses Total	**$16**	**$103,188**	**$188,314**	**$85,126**	$103,172			
Admin	**$16**	**$4,678**	**$7,220**	**$2,542**	$4,662			
Board	$0	$632	$500	($132)	$632			
MDC	$16	$137	$150	$13	$121	16		
Gate	$0	$56	$200	$144	$56			
Road	$0	$23	$100	$77	$23			
Documents	$0	$30	$100	$70	$30			
Map	$0	$0	$100	$100	$0			
Website Maint	$0	$0	$70	$70	$0			
Construction Deposits Refund	$0	$3,800	$6,000	$2,200	$3,800			
Accounting	**$0**	**$1,440**	**$2,500**	**$1,060**	$1,440			
Attorney	**$0**	**$53,899**	**$99,000**	**$45,101**	$53,899			
Litigation	$0	$12,798	$30,000	$17,202	$12,798			
Professional Services	$0	$16,483	$32,000	$15,517	$16,483			
Administration	$0	$24,618	$37,000	$12,382	$24,618			
Insurance	**$0**	**$0**	**$7,324**	**$7,324**	$0			
Board	$0	$0	$2,300	$2,300	$0			
Property	$0	$0	$5,024	$5,024	$0			
Taxes	**$0**	**$639**	**$780**	**$141**	$639			
Gate	**$0**	**$4,455**	**$18,490**	**$14,035**	$4,455			
Warranty	$0	$3,840	$8,000	$4,160	$3,840			
Utilities	$107	$1,387	$2,190	$803	$1,280	48	59	
Lighting	$0	$0	$300	$300	$0			
Remotes & Cards	$0	$1,035	$1,500	$465	$1,035			
Maintenance	$0	$0	$1,500	$1,500	$0			
Repair	$0	$0	$5,000	$5,000	$0			
Road	**$0**	**$26,735**	**$45,000**	**$18,265**	$26,735			
Maintenance	$0	$10,642	$30,000	$19,358	$10,642			
ROW/Mowing	$1,511	$18,235	$12,000	($6,235)	$16,724	23	990	498
Fence	$0	$2,742	$3,000	$258	$2,742			
Traffic Control	**$0**	**$0**	**$8,000**	**$8,000**	$0			
Maintenance/ Cloud Fees	$0	$0	$3,000	$3,000	$0			
Equipment/Miscellaneous	$0	$0	$5,000	$5,000	$0			
			Budget	**Balance**				
Contingency- Savings	$0	$0	**$12,000**	**$73,901**				
Road Savings Account	$0	$0	**$12,000**	**$75,650**				
Const. Deposit Savings	$0	$0	**$3,000**	**$6,002**				

Approved by BOD 5/20/20

MAP COMMITTEE REPORT
JANUARY 13, 2021

Map Committee members: Donna Willard, Chairperson

The committee has built two separate maps for 3 Canyons. One set is of each section showing Parcels and some roads with parcel numbers and acreage only. This set has been posted on the Web site.
The other set is of each section showing Parcels, some roads and with the following information:
Parcel Number
Acreage
Owner name
Square Footage of residence if applicable

This set is only for the use of the Master Design Committee, the Map Committee, the President and Michele DoPadre. Unless otherwise directed by the President.

Both sets of maps are undergoing changes all the time, such as when a property transfer list from Michele is received, a request to add roads or an update from the MDC on Square Footage are received.

Respectfully Submitted,

Donna R. Willard

TRAFFIC CONTROL COMMITTEE
JANUARY 13, 2021

All cameras are installed at the East gate.

There are 2 more cameras to be installed at the West gate. This project came to an abrupt stop when the Camera Guys installer, Al Armenta, could not get electricity he needed for the cameras.

Mr. Armenta's license does not allow him to work with high voltage wiring.

Recently, as the President was leaving 3 Canyons through the West gate, she observed a Signal Gates maintenance man working on the gate. The president stopped and conversed with the maintenance man regarding the lack of electricity for the cameras. The maintenance man indicated that he may be able to help.

The traffic control committee contacted the gate administrator to get contact information for Signal Gates in order for the camera installer to speak with them directly.

The gate administrator provided an e-mail to Signal Gates, which was passed on to Mr. Armenta in order for him to contact and verify if Signal Gates can help.

1/11/21 Called Mr. Armenta for update. He indicated the e-mail kept coming back as an invalid e-mail address. I provided two phone numbers to Mr. Armenta to call Signal Gates. He will update as soon as he talks to them.

1/13/21 Called Mr. Armenta for update. He called Ken at Signal Gates with phone number listed on the company's invoice. As of today, he has not received a return phone call.

He will call again this afternoon.

Respectfully Submitted

Donna R. Willard
Chairperson

FINANCIAL COMMITTEE REPORT
January 13, 2021 Meeting

Financial Committee members: Pam Hunter, Will Platt, Tom Gleason, Donna Willard (Chairperson)
October 19, 2020: Chairperson sent e-mail to the Finance Committee requesting input regarding the Investment of a portion of the HOA's funds. E-mail Attached.

10/19/20: Response from Tom Gleason: "Due to capital project commitments we have only a three year investment horizon. Better to earn a CD rate in a safe account and avoid problems." E-mail Attached.

10/19/20: Response from Pam Hunter:

"I've said for a year that I don't think investing HOA funds would be worthwhile, and I still think that. Earning $10 or $20 annually on a small CD isn't worth the effort. Keeping the money in the bank is the safest thing to do with it, in my opinion.

I agree that we're in a good position in case of a disaster, but that is assuming that the insurance company will pay out what we need.

I'm in total agreement that it's time in April to bring down the cost of the assessment from $15 to $14.

As for having a meeting, that's your decision. It doesn't matter to me one way or the other."

Pam E-mail Attached.

11/9/20: Response from Tom Gleason: "I'd be careful on annuities because they're locked at a contract interest rate which is very low right now. Best to lock when rates are high."

Chairperson's Conclusion: No investment at this time. Continue to monitor interest rates of CDs and Annuities. Finance Committee to revisit when interest rates are higher.

Respectfully Submitted,
Donna R. Willard 1/11/2021
Donna R. Willard