

Three Canyons Ranch Master Homeowners' Association
Board of Directors Meeting Minutes
July 14, 2018
az3canyons.com

1. Call to Order. Meeting called to order at 9:47am at the La Purisima Retreat Center.

Board of Directors (BoD) present:

Sec 19	John MacLeod
Sec 20E	Marilyn Wardlow
Sec 20W	John Langholff - (Vice President)
Sec 21	Richard Sontheimer - (President)
Sec 22	Cathy Chouinard
Sec 23	Mike Needham - (Secretary)
Sec 24	Rich Frederici
Sec 26	Pam Hunter (at large)
Sec 27	Jim Dobis

Board members absent:

Sec 28	Jerry Lametti (at large)
Sec 29	Joe Griffith (at large)

2. Introductions and Review of Ground Rules

The President provided a brief review of the meeting ground rules.

3. Revision and/or Acceptance of Agenda

Agenda was accepted

4. Revision and/or Acceptance of April 11, 2018 Meeting Minutes

Minutes were accepted without revision.

5. Call to Membership

Member inquired about vehicular speeding and security video cameras. An open discussion followed on these two topics.

6. Treasurer's Report - Donna Willard

TREASURER'S REPORT FOR END OF FISCAL YEAR 2017-2018
HOA Meeting JULY 14, 2018

1. Income YTD: \$202,374.00
2. Expenses YTD: \$146,224.00

3. Balance for Checking Account EOFY: \$56,150.00
4. Balance for Savings Account EOFY: \$16,482.01
5. Balance for Road Account EOFY: \$21,471.16
6. Balance for Const. Deposit Account EOFY: \$2,600.25
7. Any Questions???

TREASURER'S REPORT FOR NEW BOARD OF DIRECTORS
FISCAL YEAR 2018-2019
JULY 14, 2018

1. Income YTD : \$145,753.00
2. Expenses YTD: \$9,623.00

Changes to 18-19 Budget:

1. Added two line items to Income section. 17-18 Assessments and 16-17 Assessments
2. Increase from \$10,000.00 to \$15,600 the Attorney/Professional Services line item based on 17-18 expense.
3. Increase the Insurance line item to \$5,644.00 .

Proposals for Fiscal Year 18-19

1. From the Checking Account Balance for FY 17-18 to transfer \$20,000.00 to the Contingency Savings account, bringing the new balance to \$36,482.00
2. Propose to transfer \$28,594.00 to Road Savings Account bringing the new balance to \$50,065.00
3. Propose to retain \$7,556 in the Road Budget from 2017-2018 to new fiscal year
4. These three amounts total the ending balance of the checking account for fiscal year 2017-2018 (\$56,150.00)
5. Propose to set Cincinnati Insurance Company as an auto pay account from Chase Bank for the Insurance Payment each May in the amount of \$5,644.00

Reduction of Assessments

1. The road committee's educated guess is we will need \$100,000. in 6 years to add a coat of CRMS to 3 Canyons Ranch Road. This estimate may be a little high, but there is no way to know what the price will be in six years. I would rather over estimate than under estimate the cost. This calculates to \$16,666.00 per year.
2. Also, the road committee's educated guess is the HOA will need another \$350,000. in 12 years to Re-chip seal 3 Canyons Ranch Road. This calculated to \$29,666. Per year.
3. These two items total \$43,835.00 per year. The past fiscal year we had an overage of \$53,540.00.
4. We could reduce the Assessment fee by \$1.00 per membership, but we would not be able to add to the contingency savings account, only the road maintenance savings account in order to have the money on hand for the required future road maintenance and not have to borrow the money as we did year before last.

5. I want to mention that our Insurance costs nearly tripled this year due to the high number of claims for gate repair/replacement.
If you happen to know who is purposely damaging our gates, please ask them to stop as this costs our members for the repairs.

Assessments and Collections:

I would like to thank Michele DoPadre who has collected late Assessments from the following from single owners:

2013-2017 in the amount of \$5,069.00

2014-2018 in the amount of \$2,896.00

2015-2017 in the amount of \$4,067

Michele does a wonderful job for our association in legal matters and in collecting funds that are due. I would like to remind everyone that Michele does not work for us exclusively. She has a full time job as Office Manager with Stachel & Associates, PPC. Which keeps her very busy. On top of those duties she updates our membership list, handles members coming in to the office to talk about various matters, takes calls from realtors regarding parcels and CC&Rs, processes all property transfers, searches for and finds members who have moved and forgotten to notify the HOA of their new address, initiates legal processes for properties that have not paid assessments timely. These include 10 Day demand letter, lien processes, and judgments to name a few. Michele has the HOA's best interest in mind at all times. Granted she may miss an address change once in a while, which may cause some frustration with that member. It seems we had two or three that happened this past year and for that she and I both apologize.

Please do call Michele at Stachel's office and rant and rave about the HOA Assessments, Late Fees or Interest charges. Michele has no authority over the amount of Assessments, when or how much Late fees and Interest are charged. Michele is essentially an HOA employee who processes the invoicing and payments received for the Annual Assessments.

The annual assessments are now and have always been due on July 1st of each year. Late fees are assessed 10 days past July 1st.

Interest Fees are assessed 30 days after the due date. Which is not in compliance with the CC&Rs Section 7, paragraph 7.8 which states "Assessment shall be due and payable by Owners in such manner and at such times as the Master Association shall designate. If not paid when due, but paid within 10 days after its due date, each such Assessment shall have added to it a late charge equal to 10% of the amount of Assessment or such other charge as the Board may specify from time to time. Thereafter any such delinquent assessment and the applicable late charge shall bear interest from the tenth day after the date the assessment was due at the default rate of interest until paid" (18%). Currently the HOA is not charging interest until August 1, 30 days past the due date.

In addition, per section 7 paragraph 7.12 "The failure of the Master Association to send a bill to an Owner shall not relieve any Owner of the liability for any Assessment or charge under this Master Declaration..."

I would like to request these two paragraphs be posted on the web site for easy access by our members.

Also I would like to address that it is the members responsibility to notify the HOA of any address change. It is not the responsibility of the HOA to "Track down" the members.

The Treasurer presented a revised 2018-2019 budget from the previously approved budget based on the reasons she mentioned in her report. The Board discussed the budget revision.

A motion was made and seconded to accept the revised 2018-2019 budget. Approved unanimously. The updated 2018-2019 budget is at the end of the minutes.

A motion was made and seconded to set up an auto-pay for insurance. Approved unanimously.

7. Committee Reports

Master Design Committee (MDC) - Marilyn Wardlaw

First off I would personally like to thank John MacLeod, Carol Daly-Martens, Virginia Stiles, Gerry Rovner, Cathy Chouinard, Craig Gundy, Peter Van Wesep, Stephen Burr and Pam Hunter for serving on the Master Design Committee.

Secondly I would like to ask the Board to approve the aforementioned people except Pam Hunter who resigned at the meeting and myself to serve again on the Master Design Committee for the 2018-2019 year. Meeting dates will be set on second Tuesday of the month. In 2018 – August 14, September 11, October 9, November 13, December 11. In 2019 – January 8, February 12, March 12, April 9, May 14, June 11 and July 9.

Major items are the approval of a new house since the April meeting and the submission for the building of two more in Covey Run and working with Wild Horse to coordinate better when construction or activity in the portion of Wild Horse that shares 3 Canyons Road. The Covey Run setbacks though requires discussion from the Board before any approval can be given due to Mr. Isaacson requesting a change in the setback requirements (Please see documents and letters). This is set on the agenda. As a brief overview, the MDC was informed that the only documentation of reduction of setbacks occurred on lots 13 and 18 (-299 and -304) and that the request of the letter dated 2007 from JRL might not have been approved. Mr. Isaacson has requested confirmation of the setbacks in that letter as well as proposing new setbacks throughout the village. The MDC after consideration is recommending to the Board that lots 21,22,23,24,25,26 (-307, -308, -309, -310, -311, -312) be reduced to 75-foot setback requirement for the main house only. Any other structure such as shed or similar item will be required to be set at the 100ft setback. This makes it easier for future MDC requests to not have to continue handle different setback requirements. Please note that one submission for the construction of a house in Covey Run was submitted located on lot 13 (-299) with the 75ft setbacks but an approval letter has not

been issued yet awaiting any discussion from the Board. Considering that a previous Board has approved this lot for the reduced setback then the MDC feels this house could be issued the approval letter since the site map of the house meets the 75ft setback requirements.

Road - Jim Dobis

3 Canyons HOA Road Committee Report for 14 July 2018

Initiated spring tree and weed control on 3 Canyons Road easements
Initiated road edge maintenance with installation of processed A/B
Ditch repairs between S. Mule Place and Welch Place
Ditch repairs at Rio Santiago North and 3 Canyons Road
Ditch and culvert repairs at 3 Canyons Road and Oakridge Drive
Installed curb on east side of East Gate to eliminate damage and theft of reflectors
Placed stop sign, no hunting / no trespassing signs at Calle Cielo Grande north and 3 Canyons Road
Placed 2 object markers / delineators west of Mellak Road
Replaced stolen post and yellow reflector at East Gate
Multiple fence repairs along south fence line of 3 Canyons Road

Annual mowing schedule has been initiated as of 10 July 2018, the late start was due to dry conditions / fire hazard. Weather permitting mowing will begin today 14 July 2018.

Gate - Rich Frederici

Overall both gates have worked well this past year with little downtime and the majority of that was due to the west gate getting hit.

HOA members who share their personal gate code with non-members cause only more trespassing to occur. This also includes HOA members using their personal gate code to host parties, open houses, garage sales, etc.

Section 2 of the Gate Policies Procedures and Operations guide (recorded 12-11-2015) states "temporary gate access codes will be issued as needed." (no charge). Non-members using unauthorized gate code of homeowners and property owners are increasing the liability and road maintenance cost of 3 Canyons HOA members and are trespassing on private property.

Governing Documents - Pam Hunter, No report

Maps - John Langholff, No report

8. Legal Update - The President stated the association was awarded a lien to a long-vacant parcel. Once the parcel is sold the association will receive the past due assessments and other incurred costs.

New Business

9. Appeals

The Board went into closed session to discuss three appeals.

The Board approved one appeal and disapproved two appeals.

10 Covey Run Setbacks

The Board was presented a request by the Section 21 Covey Run developer to adjust the north and south setbacks from 100 feet to 75 feet for lots 21 through 26 identified on the development plat. These lots are also identified as parcels 307 through 312 on the 3 Canyons website map and membership list. The MDC recommended approval. The Board along with comments from the attending membership discussed the waiver request. A motion was made and seconded to approve the setback from 100 feet to 75 feet on the north and south sides for lots 21 (parcel 307), 22 (parcel 308), 23 (parcel 309), 24 (parcel 310), 25 (parcel 311), and 26 (parcel 312). Motion passed, 8 for and 1 against.

11. Election of BoD Officers

3 Canyons members are reminded that any member can be a BoD officer. Directors are not the only 3 Canyons' members who can be BoD officers.

President - to vote for Pam Hunter and Marilyn Wardlow were nominated. Vote was taken. Motion was made and seconded. Pam received 7 votes and Marilyn received 2 votes. Pam is new BoD President.

Vice President - Nomination was made and seconded to appoint Richard Sontheimer. Approved. 8 for, 0 against, 1 abstain

Secretary - Nomination was made and seconded to appoint Mike Needham. Approved. 8 for, 0 against, 1 abstain

Treasurer - Nomination was made and seconded to appoint Donna Willard. Approved unanimously.

Assistant Treasurer - Nomination was made and seconded to appoint Jim Dobis. Approved. 8 for, 0 against, 1 abstain

12. Formation of Committees

a. Master Design Committee (MDC). Motion made, seconded, and approved unanimously to appoint the following members to the MDC.

Sec 19	John MacLeod	Sec 22	Cathy Chouinard
Sec 19	Carol Daly-Martens	Sec 23	Craig Gundy
Sec 20E	Marilyn Wardlow	Sec 24	Peter Van Wesep
Sec 20E	Virginia Stiles	Sec 26	Stephen Burr
Sec 20W	Gerry Rovner	Sec 27	vacant

b. Road Committee. Motion made, seconded, and approved unanimously to appoint the following members to the Road Committee.

Jim Dobis, Rich Frederici, and Bob Gilbert

c. Gate Committee. Motion made, seconded, and approved unanimously to appoint the following members to the Gate Committee.

John MacLeod, Terry Martens, and Gate Administrator - Richard Sontheimer

d. Governing Documents. Motion made, seconded, and approved unanimously to appoint the following member to the Governing Documents Committee.

Marilyn Wardlow

e. Map. Motion made, seconded, and approved unanimously to appoint the following member to the Map Committee.

John Langholff

If any member wishes to join a committee please contact a committee member. Committee listing is found on our web site, az3canyons.com, Contact Us tab.

13. Dates for Future BoD Meetings and Annual Membership Meeting

The following dates and times are set for the BoD meetings and the Annual Membership meeting:

BoD Meeting	
Date	Time
October 10, 2018	5:30 pm
January 9, 2019	5:30 pm
April 10, 2019	5:30 pm
July 13, 2019	following the Annual Membership Meeting

Annual Member Meeting is set for July 13, 2019 at 9:30 am.

Meetings are held at the La Purisima Retreat Center, 10301 S. Stone Ridge Rd, Hereford. See our website, az3canyons.com, for location map.

14. Call to Membership

Several members expressed their thanks to the BoD, BoD officers, and committee members.

15 Adjournment

Motion was made and seconded to adjourn the meeting. Approved by unanimous vote. Meeting adjourned at 12:23 pm.

3 Canyons web site: az3canyons.com

(Agenda Item 6. Revised 2018-2019 Budget)

3 Canyons Ranch 2018 - 2019 Projected Budget

Income Total	\$0	\$0	\$187,210	\$187,210	
2018-2019 Assessments	0	0	\$164,475	\$164,475	10,965 memberships X \$15.00
2017-2018 Assessments	0	0	\$10,993	\$10,993	Based on Outstanding amt. due
2016-2017 Assessments	0	0	\$3,392	\$3,392	Based on Outstanding amt. due
Late Fees	0	0	\$1,100	\$1,100	Based on 2017-2018 income
Interest	0	0	\$400	\$400	Based on 2017-2018 income
Gate	0	0	\$450	\$450	Based on 2017-2018 income
MDC	0	0	\$200	\$200	Based on 2017-2018 income
Transfer Fees	0	0	\$4,000	\$4,000	Based on 2017-2018 income
Recovered Legal Expenses	0	0	\$200	\$200	Based on 2017-2018 income
Recovered Admin. Expenses	0	0	\$0	\$0	Based on 2017-2018 income
Construction Deposits			\$2,000	\$2,000	Based on 2017-2018 income
Expenses Total	0	0	\$181,227	\$181,227	
Admin	0	0	\$8,070	\$8,070	
Board	0	0	\$2,000	\$2,000	
MDC	0	0	\$200	\$200	Per Marilyn 1-29-18
Gate	0	0	\$3,300	\$3,300	Propose to discontinue this payment of \$250.00 per month, only reimburse for expenses appx. \$400.00.
Road	0	0	\$100	\$100	
Documents	0	0	\$100	\$100	
Map	0	0	\$100	\$100	
Website Maint	0	0	\$70	\$70	Due Sept. 16th
Construction Deposits Refund			\$2,200	\$2,200	
Accounting	0	0	\$2,360	\$2,360	\$150. X 12 + \$560. for 1099s + Taxes
Attorney	0	0	\$39,600	\$39,600	
Litigation	0	0	\$4,000	\$4,000	
Professional Services	0	0	\$15,600	\$15,600	Increased from \$10,000. Based on 2017-2018 expense
Administration	0	0	\$20,000	\$20,000	
Insurance	0	0	\$5,644	\$5,644	
Board	0	0	\$1,859	\$1,859	Based on new Policy
Property	0	0	\$3,785	\$3,785	Based on New Policy
Taxes	0	0	\$100	\$100	Based on 2017-2018 expense
Gate	0	0	\$42,500	\$42,500	Per Rich Frederici 1/31/18
Warranty	0	0	\$8,000	\$8,000	
Utilities	0	0	\$2,000	\$2,000	
Landscape & Lighting	0	0	\$2,500	\$2,500	
Maintenance	0	0	\$9,000	\$9,000	
Repair			\$5,000	\$5,000	amt decreased due to new ins. Policy
Security	0	0	\$16,000	\$16,000	amt increased 10,000 from Repair
Road	0	0	\$45,000	\$45,000	Per Jim Dobis 1/30/18
Maintenance	0	0	\$3,000	\$3,000	
Mowing	0	0	\$10,000	\$10,000	
Weed Control			\$6,000	\$6,000	
Drainage	0	0	\$23,000	\$30,556	Propose to add \$7556. from 17-18
Fence	0	0	\$3,000	\$3,000	
Contingency- Savings	\$0	0	\$16,482	\$36,482	Propose to Xfer \$20,000.00
Road Savings Account	\$0	0	\$21,471	\$47,455	Propose to Xfer \$25,984.00
Const. Deposit Savings			\$2,600	\$2,600	

Revised and Approved 7/14/2018 by BOD at HOA meeting
Insurance Budget Revised and Approved :