

Three Canyons Ranch Master Homeowners' Association
Board of Directors (BoD) Meeting Minutes
April 11, 2018
web site: az3canyons.com

1. Call to Order. Meeting called to order at 5:30pm

BoD present:
Sec 19 John MacLeod
Sec 20E Marilyn Wardlaw
Sec 20W John Langholff (Vice President)
Sec 21 Richard Sontheimer (President)
Sec 22 Cathy Chouinard
Sec 23 Mike Needham (Secretary)
Sec 26 Pam Hunter
Sec 27 Jim Dobis
Sec 28 Jerry Lametti

BoD absent:
Sec 24 Rich Frederici
Sec 29 Bob Griffith

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 January 10, 2018 Board Meeting Minutes

Minutes were accepted without revision.

5. Call to Membership - No comments

6. Treasurer's Report - Donna Willard

Income YTD: \$158,150.00
Expenses YTD: \$114,782.00
Balance for Savings Account: \$10,101.00
Balance for Checking Account: \$37,748.66
Balance for Const. Deposit Account: \$1400.10
Balance for Road Account: \$21,469.55
Trust Checks for delinquent assessments, late fees, interest, attorney fees.
2017-2018 Assessments and Transfer fees deposited today in the amount of
\$9,443.42.
Three Returned Checks due to Stop Payments in the amount of \$4,990.77,
Michele is working on getting them replaced.

Treasurer budget spreadsheet through March 2018 is at the end of minutes

7. Committee Reports

Master Design Committee (MDC) - Marilyn Wardlow

April 11 2018 MDC report to the Board

We have considered a total of 9 new applications and they have been approved.

There is one Notice of Violation (NOV) letter issued under CC&R Sections 4.2.18 Diseases and Insects and 4.2.19 Repair of Buildings. The warning letter and NOV letter were returned unclaimed. After contacting Stachel's office this property is already in litigation with the HOA and the MDC has deemed it is not worth the Board having to issue a fine.

MDC and Villages: There has been some discussion about Villages and the MDC and enforcement of the CC&Rs Section 14.1 and Section 14.8. This came about from a Warning letter issued by the MDC to an owner whose property is located in a Village. The Village in turn wanted to handle the problem. After discussion and a review of the above it was decided that Villages will now handle all CC&R and project approvals that are located within the Village but in turn need to apprise the Board and MDC what is happening within the Village concerning CC&Rs and projects approved or disapproved.

Since Villages have no power to issue fines in some discussion with one Village (VDO) if the Village has determined there is a NOV how to enforce. One is that the Village could bring it to the MDC to bring it to the Board or report directly as part of Section 14.1 and ask the Board to enforce the NOV with a fine if need be.

Road - Jim Dobis

- Repair road shoulders 6 miles
- Initiated spring weed control
- Repaired signs damaged by winter winds
- Placed 2 object markers west of Mellak Road
- Replaced stolen post and yellow reflector at East Gate

Gate - Jim Dobis and Tom Pickering

The committee met with the HOA attorney to get his legal opinion on what the committee needs to provide in any Notice of Violation letter or other correspondence.

The Gate committee believes the damage to our gates (including the West gate damage in March 2018) has most likely been caused by persons trespassing on 3 Canyons Property. The gate damages have increased the liability and maintenance costs of the gates as well as 3 Canyons Road. Any gate code found to be compromised shall be canceled and new personal code will be issued to the property owner.

The insurance company has notified us that our gate insurance policy will not be renewed after June 4, 2018 because the association has had five gate claims (in two of these claims our insurance did not have to pay). Unless we can obtain a new insurance policy we will be will have to self-fund all future gate repairs We are working with our local insurance agent for options.

If any member notices damage or some other issue to either gate please notify the Gate committee or a BoD representative. All contact information is found on the web site.

If any member is having a gate code issue please contact Tom Pickering (520 266-0174, tcp7105@aol.com).

Governing Documents - Pam Hunter

Nothing to report

Maps - Pam Hunter

Nothing to report

Gate Security - Rick Sontheimer

No change from last meeting.

8. Update on legal actions.

The association received a couple of favorable court judgments for failure to pay past due annual assessments. The attorney is trying to obtain the overdue assessments.

A motion was made and seconded authorizing the attorney to seek a new judgment against a member for past due assessments. Passed 9-0.

New Business

9. 2018-2019 Budget

The Treasurer presented the proposed 2018-2019 budget, effective July 1 2018. The budget was prepared based on past year expenses and well as expenses projected by the various committee.

A motion was made and seconded to approve the budget. Motion passed 9-0. Copy of the approved budget is at the end of the minutes. The budget includes \$15,000 for any gate repairs now that we may have to be self-funded. Assessments for 2018-2019 remain at \$15 per membership.

10. Covey Run CC&Rs.

Covey Run is a village located in Section 21. The proposed CC&Rs were presented by Rick Sontheimer for approval by the BoD as required by the 3 Canyons' CC&Rs. Rick answered the questions and concerns asked by the BoD and by the membership.

A motion was made and seconded to approve the Covey Run CC&Rs. Passed 8-0 with 1 abstention.

11. Ballot for the annual membership meeting.

The 2018 BoD election is for the even numbered sections.

The following four members submitted their names for their respective property section for the election. No members submitted their names for Sections 26 and 28.

Sec 20E	Marilyn Wardlaw	Sec 24	Rich Frederici
Sec 20W	John Langholff	Sec 26	
Sec 22	Cathy Chouinard	Sec 28	

12. Formation Voting Committee

Pam Hunter and Rick Sontheimer volunteered to be the voting committee. They will tally the votes for the BoD election.

13. Ballot Instructions and Voting Guidelines for the BoD Election

Motion was made and seconded to approved the 2018 election ballot and guidelines. Passed 9-0.

Copy of the instruction and guideline is at the end of the minutes. A copy will be in the mailed election ballot.

14. Call to Membership

One member volunteered to assist the BoD in reviewing insurance documents and researching a new gate insurance policy.

15. Adjournment

Motion was made and seconded to adjourn the meeting. Passed 9-0. Meeting adjourned at 7:10pm.

The next scheduled Board meeting will be held directly after the annual membership meeting scheduled for 9:30am July 14, 2018 at the La Purisima Retreat Center, 10301 S. Stone Ridge Road, Hereford, AZ. Directions are on the 3 Canyons' website, az3canyons.com.

(Agenda Item 6. Treasurer's Report)

3 Canyons Ranch 2017 - 2018 Budget

Bank Balance prior Month

\$43,888

Bank Balance ongoing

\$38,875

	March 2018	Year-to-Date	2017-2018 Budget	Budget Remaining
Income Total	\$0	\$158,510	\$186,350	\$27,841
2017-2018 Assessments	\$0	\$142,050	\$163,005	\$20,955
2016-2017 Assessments	\$0	\$1,163	\$5,967	\$4,804
2015-2016 Assessments	\$0	\$0	\$4,300	\$4,300
Late Fees	\$0	\$1,109	\$1,600	\$492
Interest	\$0	\$408	\$300	-\$108
Gate	\$0	\$455	\$800	\$345
MDC	\$0	\$200	\$1,000	\$800
Misc Income/Deposits/Xfers	\$0	\$8,900	\$1,078	-\$7,822
Transfer Fees	\$0	\$4,000	\$7,000	\$3,000
Recovered Legal Expenses	\$0	\$0	\$1,000	\$1,000
Recovered Admin. Expenses	\$0	\$225	\$300	\$75
Expenses Total	\$5,013	\$119,795	\$158,552	\$38,757
Admin	\$250	\$4,501	\$7,100	\$2,599
Board	\$0	\$510	\$2,000	\$1,490
MDC	\$0	\$72	\$200	\$128
Gate	\$250	\$2,793	\$3,300	\$507
Road	\$0	\$126	\$100	(\$26)
Documents	\$0	\$0	\$100	\$100
Map	\$0	\$0	\$100	\$100
Website Maint	\$0	\$0	\$100	\$100
Construction Deposit Refund	\$0	\$1,000	\$1,200	\$200
Accounting	\$150	\$1,789	\$2,000	\$211
Attorney	\$4,520	\$29,573	\$32,000	\$2,427
Litigation	\$0	\$28	\$4,000	\$3,972
Professional Services	\$4,205	\$10,748	\$8,000	(\$2,748)
Administration	\$315	\$18,797	\$20,000	\$1,203
Insurance	\$0	\$0	\$4,371	\$4,371
Board	\$0	\$0	\$1,600	\$1,600
Road/Umbrella	\$0	\$0	\$2,771	\$2,771
Taxes	\$0	\$50	\$100	\$50
Gate	\$93	\$18,658	\$33,832	\$15,174
Warranty	\$0	\$5,760	\$8,000	\$2,240
Utilities	\$93	\$1,705	\$2,000	\$295
Landscape & Lighting	\$0	\$390	\$2,500	\$2,110
Maintenance	\$0	\$10,802	\$15,332	\$4,530
Security	\$0	\$0	\$6,000	\$6,000
Road	\$0	\$32,154	\$46,078	\$13,924
Maintenance	\$0	\$5,079	\$3,000	(\$2,079)
Mowing	\$0	\$6,870	\$9,000	\$2,130
Weed Control	\$0	\$5,876	\$7,078	\$1,202
Drainage	\$0	\$14,232	\$23,000	\$8,768
Fence	\$0	\$97	\$4,000	\$3,903
Road Loan Payment	\$0	\$33,071	\$33,071	\$0
Const. Deposit Savings	\$0	\$1,000	\$200	\$1,400
Contingency- Savings	\$0	\$5,000	\$5,000	\$10,100
Road Account Savings	\$0	\$21,465	\$21,465	\$21,465

(Agenda Item 9. 2018-2019 Budget, approved April 11, 2018)

3 Canyons Ranch 2018-2019 Budget

Income Total	\$172,825	\$172,825	
2018-2019 Assessments	\$164,475	\$164,475	10,965 memberships X \$15.00
Late Fees	\$1,100	\$1,100	Based on 2017-2018 income
Interest	\$400	\$400	Based on 2017-2018 income
Gate	\$450	\$450	Based on 2017-2018 income
MDC	\$200	\$200	Based on 2017-2018 income
Transfer Fees	\$4,000	\$4,000	Based on 2017-2018 income
Recovered Legal Expenses	\$200	\$200	Based on 2017-2018 income
Recovered Admin. Expenses	\$0	\$0	Based on 2017-2018 income
Construction Deposits	\$2,000	\$2,000	Based on 2017-2018 income
Expenses Total	\$158,560	\$158,560	
Admin	\$8,100	\$8,100	
Board	\$2,000	\$2,000	
MDC	\$200	\$200	Per Marilyn 1-29-18
Gate	\$3,300	\$3,300	\$250. X 12 + 300 for supplies/postage
Road	\$100	\$100	
Documents	\$100	\$100	
Map	\$100	\$100	
Website Maint	\$100	\$100	
Construction Deposits Refund	\$2,200	\$2,200	
Accounting	\$2,360	\$2,360	\$150. X 12 + \$560. for 1099s + Taxes
Attorney	\$34,000	\$34,000	
Litigation	\$4,000	\$4,000	
Professional Services	\$10,000	\$10,000	Based on 2017-2018 expense
Administration	\$20,000	\$20,000	
Insurance	\$1,500	\$1,500	
Board	\$1,500	\$1,500	Based on 2017-2018 amounts
Taxes	\$100	\$100	Based on 2017-2018 expense
Gate	\$42,500	\$42,500	Per Rich Frederici 1/31/18
Warranty	\$8,000	\$8,000	
Utilities	\$2,000	\$2,000	
Landscape & Lighting	\$2,500	\$2,500	
Maintenance	\$9,000	\$9,000	
Repair	\$15,000	\$15,000	New line item due to Ins. Cancellation. Amt. to be transferred to Cont. Savings
Security	\$6,000	\$6,000	
Road	\$45,000	\$45,000	Per Jim Dobis 1/30/18
Maintenance	\$3,000	\$3,000	
Mowing	\$10,000	\$10,000	
Weed Control	\$6,000	\$6,000	
Drainage	\$23,000	\$23,000	
Fence	\$3,000	\$3,000	
Contingency- Savings	\$5,000	\$5,000	
Road Account	\$20,000	\$20,000	

Ballot Instructions and Information

A quorum, 10% of all memberships, is necessary to call the meeting to order and conduct any business. Absentee Ballots received on or before the cutoff date will be used to establish a quorum. This absentee ballot is valid only for the 2018 Annual Membership Meeting scheduled for July 14, 2018. In order for your absentee ballot to be counted, it must be received no later than July 13, 2018. Once cast, this ballot may not be revoked. This ballot may only be cast by the member to whom it is issued.

Printed above the signature line on the ballot is information concerning your parcel number and number of memberships (votes). This information is taken from County Assessor records. If you feel the information is incorrect, please notify the association.

Membership and Voting are covered in section 6 of the CC&R's. Information concerning the Homeowners Association is available online at az3canyons.com.

Please return your ballot to the following address:

Three Canyons Ranch Master Homeowners' Association
2151 S Highway 92 Ste 100
Sierra Vista, AZ 85635

Voting Guidelines

(as approved by the board 4/11/2018)

1. Voting may be accomplished either in person at the annual meeting or by absentee ballot.
2. Board members are elected for two-year terms. This year's election (2018) will be for Board Members for sections 20 East, 20 West, 22, 24, 26, and 28.
3. Within each section, the candidate with the largest number of votes will be declared the winner.
4. Voter eligibility, quorum determination, ballots (preparation, distribution and collection) will be under the control of the board of directors. Ballot counting will be handled by the voting committee. The Voting Committee will be appointed by the Board of Directors.
5. Ballots will be retained for thirty days following the election. After thirty days, the ballots will be destroyed.
6. You may vote if you own property in Three Canyons Ranch. (Memberships and Voting are covered in section 6 of the CC&R's).
7. All members of record as of July 1, 2018 will be eligible to vote in the 2018 election.