



**Minutes of the Board Meeting**  
**held on June 15, 2023**  
**via Google Meet, 6:00 p.m.**

1. **Call to Order:** The president opened the meeting at 6:00 p.m. and asked for a roll call of board members.
2. **Attendees:** Board members N. Ceccarelli, D. McFarland, D. Vlastic, C. Peachey, J. Levin, P. McCawley, K. Whitmire, and G. Barton. Absent: C. Barney. Roll call of other attendees was not taken; approximately 15 other POs were in attendance by phone and video. The meeting was recorded using Google Meet.
3. **Agenda:** President had one small addition, that the Vice President's report would include a discussion of ARR. No other changes.
4. **Old Business**
  - a. **Approval of minutes from prior meetings:** The secretary stated that no changes were submitted for the minutes under discussion. J. Levin **moved to approve the minutes of the April 12, 2023, Annual Meeting; March 16, 2023, board meeting; and May 2, 2023, board meeting.** D. McFarland **seconded.** No further discussion was forthcoming, **the motion carried by voice approval, no objections.**
5. **New Business**
  - a. **President's report**
    - i. **Update from corporate counsel for association.** The president discussed the following topics with corporate counsel.
      1. At the 3/16 board meeting, the president called for a vote to set a meeting with PO complainants who had requested one. Although the intent was administrative in nature, calling for a motion and vote turned it into a legal action, and corporate counsel suggested it could have been done better, it should have been on the agenda. The president apologized for this and for putting the board in an awkward position. The board did not act on the vote and the action is voided.
      2. There is a period for which the association has no official record, such as published minutes, of decisions that may have been made by the prior board. How does the current board wish to handle this. We can consider (a) Move on with the information we have. (b) All board members can listen to any recordings POs may have made of board meetings and read draft minutes volunteers have prepared recently; after review, the board can ratify the actions

of the prior board. (c) We can collect any recordings and notes and turn them over to a third party to transcribe, then all board members review. The president asked that board members think about ideas for handling this topic.

3. The association has options for getting road repairs accomplished on an ad hoc/emergent basis through a provision called the “handyman allowance.” We can reimburse or pay someone, such as a property owner with the appropriate equipment, to implement repairs even if the person is not a licensed contractor in AZ. Per event, we cannot spend more than \$1000, nor can we break up a project to stay under that limit. This would allow us to use our budgeted road funds to get someone to work right away to do road repairs after major rain events. The president will clarify some details of what is allowed.

- ii. **Update re member request to create/implement newsletter.** A member is interested in publishing a newsletter to welcome new POs and provide information about the ranch and its residents. Residents used to publish one a number of years ago. Topics could be solicited and might include history of the windmill, etc. Officers would maintain control of the content. It would be sent mainly electronically, with only a few mailed, so minimal cost. Can also post on website. POs commented that they have copies of prior issues they can share.
- iii. **Discussion of legal matters.** The association has been named in a declaratory action. Our insurer USLI has appointed legal representation, Schneider & Onofry, PC, who are collecting information and who have advised members not to speak about the case. Board members can call the president or vice president if they have questions. They will provide updates when more information is available. There will be an order to show cause hearing in early July. We have two insurance policies: general liability and directors and officers liability.
- iv. **Discussion of late fees, penalties, and disclosure fees.** A PO queried whether we are following our updated bylaws, which state that establishing such fees is reserved to the membership. Corporate counsel noted that disclosure fees were established in the past, so the member vote would be required to change what is being done. We can consider if the \$75 fee we charge is appropriate and reasonable. The finance committee can review this and make recommendations.
- v. **Discussion of road grading and maintenance.** We already have a proposal from Dustin, who said he will try to hold to it unless fuel prices go crazy, in which case he will add a fuel surcharge only. The president asked G. Barton to lead road committee efforts to make sure we are prepared for monsoon season. G. Barton and M. Shelburne please be the point people for ad hoc events. K. Whitmire please take lead in addressing needs and community input re the windmill.

b. **Vice President’s report**

- i. **ARR report.** See attached.

c. **Treasurer's report**

- i. **Financial update.** See attached report.
- ii. **Discussion of year-end audit/reporting.** The treasurer provided all 2022 financial documents (bills, bank statements, check register, and anything else available) to CNJ Bookkeeping for a review of 2022 finances. This bookkeeper was used in past years. The report stated, "I have completed the review of financial reports for HIGH LONESOME RANCH ESTATES POA and created a Profit and Loss statement, using QuickBooks. The finances are in good standing. I reconciled to bank statements and information given to me for the review. At this time the financial reports are complete and accurate."
- iii. **Discussion of delinquent account(s) status.** See attached report. Some new payments have been pledged, so the delinquent amount may decrease. Treasurer has done multiple mailings, calls, and attempts to verify contact information for delinquent accounts.
- iv. **Discussion of finance committee.** The treasurer will plan to send info to the finance committee to review fees. We haven't been charging late fees, only interest and certified mail charges.

d. **Secretary's report**

- i. **Discussion of updates to mailing lists/telephone lists.** The lists are being updated as necessary. Need to contact POs to ensure we have correct info and that they keep us updated. We have eight members without email addresses.
- ii. **Discussion of future calendar meeting dates.** The dates of scheduled monthly board meetings are posted on the website and have been emailed to all members for whom we have email addresses.
- iii. The secretary filed the Arizona Corporation Commission annual report for the association.

6. **Comments from board members.** None.

7. **Next meeting date.** July 20, 2023. Members were encouraged to contact the board with questions or agenda items.

8. **Adjourned** at 7:26 p.m. D. McFarland **moved**, J. Levin **seconded**, **carried by voice approval with no objections.**

Submitted by C. Peachey, HLRPOA Secretary

Approved Aug. 17, 2023

**TREASURER REPORT for 15 June 2023 board meeting**

Checking acct activity for 2023:

Starting balance	\$5,278.09
Deposits	\$24,731.68
Withdrawals	\$955.00
End balance	\$29,054.77

- Checks pd:
1. \$600.00 Smith & Wamsley
  2. \$180.00 Jacob Throckmorton
  3. \$50.00 Arizona income tax
  4. \$125.00 CNJ bookkeeping

**OUTSTANDING ASSESSMENTS 2022 AND PRIOR**

4 members have a total of \$1570.44 owed. Includes assessments and interest.

\* This amount is approximate, I am waiting for a total accounting on the 1 member in collections; when received, I will update this number. The other 3 have had a certified letter sent to them in preparation of entering collections.

**OUTSTANDING ASSESSMENTS 2023**

15 members have paid no assessments for 2023, total owed of \$3265.50.

21 members have paid 1/2 assessments for 2023, total owed of \$2268.00.

\* Of the 15 members who have paid nothing, this includes the 4 previously mentioned members, 3 of which have had \$8.50 added to their accounts for the mailing of the certified letters.

All 15 members who have paid nothing in 2023 have been re-invoiced by email, or mail if no email was present.

All members who have any monies outstanding for 2023 were invoiced again in early June 2023 by mail with a due date of July 15, 2023. The 11 who have paid nothing in 2023, but are current other than that, have had a letter added to their current invoice offering to waive interest if paid in full by the next due date of 07/15/2023. If they do not pay by then, the interest will then be added to their accounts.

## ARR System Report

The system we inherited is functioning as authorized by board resolution in February 2022. As the resolution authorized, additional modifications to the system have been implemented while implementing the system improvements.

To date, the system has processed 48 ARR's (total submitted by the form). One was deemed repetitive and returned to the owner with that note and all of the rest have been approved. A record of both the reviews and the approvals has been maintained by the system, something that was haphazard in the past. The average approval time under the full system has been 11 days.

I've heard that some members have some questions about the system and so I want to address my research on them.

I have heard one say:

"The whole board is required to vote on every ARR and before they vote, community members have the legal right to publicly comment on them." The public process that HLR had before was, as Jason Smith stated, not normal and open to both abuse and the creation of community conflict. .

Where does anyone see that the entire board must vote on every ARR as a board legal action subject to ARS 33-1804? I searched for that and did not find it in the community documents, the statutes, nor were those familiar with case law able to cite anything requiring the board as a whole to vote on every ARR.

The Declaration states, at 9.1, that, "All architectural matters with regard to the Properties shall be subject to the discretionary review of the Board except as otherwise provided herein." Does that say that the board as a whole must vote on each and every ARR? No. The key words here are "subject to," "discretionary," and "review." In this case, the board previously decided to dispense with the failed ARC (which was optional and not required) and to use a subcommittee of directors (the four corporate officers) to provide the board's review. This process has been in use for over a year and is working well. It complies with the Declaration in that the Board has chosen to exercise its authority through a subcommittee which has a recorded vote on each and every ARR while avoiding the problems associated with the previous procedure that had even approved a mobile home, based on Mr. Barfield's recommendation.

In using the phrase, "subject to," the authors chose not to direct the board as a whole to vote on each ARR as a recorded legal action. They also made the reviews discretionary which could have two meanings and both could apply simultaneously, they are not mutually exclusive. Additionally, the Declaration states at 9.2 that approvals, "may be given in the sole discretion of the Board." Note that "may" does not equal "must." Finally, at 11.1, the Declaration provides that, The Association or any Member shall have the right, but not the duty, to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by the provisions of this Declaration." Essentially, the Association is not bound to conform to anything in the document based on that language. However, we should also note that case law informs what an Association may or may not do and how it must do so equitably and fairly including that it may not selectively enforce. Our community documents must be read in light of case law. The Association can do what is specifically authorized to do in the community documents, statutes, and case law, and may decide to not do any particular thing it is authorized to do. But, in anything it does do, it must be consistent, fair, and equitable as required by law. There are those who are confused on this point and read various provisions of the community documents out of context. I've heard them say that

the Association does not have to be consistent in applying the Declaration, an erroneous reading and one that will generate lawsuits if the Association tries to follow that course.