



## Minutes for December 20, 2016 Meeting

Breakfast at Moe's

6.00 PM

- **Call to Order:** Meeting was called to order on December 20<sup>th</sup>, 2016 at 5:59 PM by Cavanaugh. Present were: Board Members: President - Phyllis Cavanaugh, Vice-President – Joel Levin, Treasurer- Margaret Baxter, Secretary – Jessamyn Snider, Member at Large – Paul McCawley, Book Keeper – Connie Grady and husband John Grady. Property owners: Bob Gent, David Knecht, Nance Ceccarelli, Bob Hritz.
- **Pledge**
- **President's Report:** Cavanaugh read the President's Report out loud (See attached). There was no further discussion.
- **Treasurer's Report:** The Treasurer's Report was addressed out of order, with no objections. Grady summarized financial information. The HOA has collected and deposited approximately \$8,600 in dues, but should have collected \$15,299 in total dues. There is approximately \$45,000 total in the bank. Approximated \$4,800 has gone out of the account, which is not covered by dues, and so the HOA is attempting to only pay bare minimum until another account can get set up. Levin asked for clarification on amount received from dues. Grady clarified saying that approximately \$11,000 in dues has not yet been received. Grady then talked about expenditures: \$11,691 on Road Maintenance, \$6,200 on Road repairs. Cavanaugh said that \$7,000 had been paid for grading, and that the money came from last year's budget. Baxter stated that with all bills being paid, including the road grading, C and J Book Keeping, the attorney, insurance, taxes, meetings, post, and office supplies, there is a balance in the account of \$6,198.87. There is \$28,000 in the reserve. Grady stated that she is attempting to move that amount to another type of account. Grady stated she is also working on the 2015-16 tax return. Cavanaugh asked when it might be completed. Grady stated as soon as possible, but not before Christmas. Gent asked about road grading, and Cavanaugh said it would be addressed at a later moment.
- **Budget Discussion:** Baxter read the estimated budget for 2017 out loud (See attached). Gent asked how many total lots there are. Baxter stated there are 135 lots and that dues for 2017 are tentatively set at \$152. Gent stated that that amount would put the HOA under budget because 135 lots x \$160 dues = \$21,600. Gent stated that the dues should be \$198.60 which = the Budget/135 lots. Cavanaugh stated there is money in the residual fund and money to be rolled over, so the dues should be refigured according to how much of a cushion the HOA would like to maintain. Baxter said having fewer meetings would equal a savings. Cavanaugh stated that road projects needed to be considered as well as the total in both bank accounts. Baxter stated that there is currently approximately \$28,000 in the reserve account and \$6,198.87 in the operating account (of which one more payment to Grady still needs to be made, but the \$7,000 for grading has already come out). Cavanaugh reiterated that the reserve fund should be kept at \$20,000, and that road projects needed to be voted on in order to figure the budget for 2017.
- **Road Committee Updates:** All in attendance read the Road Committee Updates (See attached). Cavanaugh summarized the updates. #1: Repairing the top of Reata Pass: Snider asked what is ab,

Cavanaugh stated it is a mix of sand and Clay. McCawley asked if the amount would be 3-6 dump loads. #2: Repairing washboards Legend: Cavanaugh stated that the estimated budget for this project is \$5,800. #3: Repairing Legend beyond the windmill: Cavanaugh said the project could wait until the 2017 budget has been approved, but should be completed before the monsoon. #4: Smaller Repairs: Cavanaugh stated that Stanford has spent a lot of time on cages. He wants the chicken wire removed, the cages bent, and rocks adjusted to a u-shape. McCawley stated that it would be a good thing to get done, since fixing smaller things keeps cost down. McCawley asked who oversees the Cages. Cavanaugh replied that Stanford oversees the work on cages done by Charley Suplee. Snider asked why HOA would need to pay to have these improvements done when we have already paid to have the cages installed. Cavanaugh stated it is an on-going project that needs on-going adjustments. Snider also observed that before the cages the washes were passable, except at the height of the storm, in her low-clearance two-wheel drive. However, after the installation of the cages the washes would be impassable for her in a low-clearance two-wheel drive for up to a week after the storm, due to standing water and mud.

Cavanaugh asked which is higher priority, #1 or #2? McCawley stated he is skeptical about 2. Knecht asked why washboards form. Cavanaugh stated washboards result from braking. Baxter stated that Legend used to be much worse, and that it is much better now. Baxter stated that both previous contractors said that washboards result from heavy traffic and heavy vehicles, as well as speeding. McCawley asked how many lots, and then stated that it would cost \$45 per lot to fix. Snider stated that is approximated one-third of the yearly dues. Snider asked if it wouldn't be better to wait on it after we have more information on the mining issue, which may result in heavy equipment and more traffic. Baxter and McCawley stated that if an HOA plays nice with a mining company, the company will use fix, and leave things in a better state than they were. McCawley stated that statues are clear on what mining companies can and cannot do. **McCawley moved that we absolutely fund Reata Pass. The motion was seconded by Cavanaugh.** There were no comments from board members, and Knecht commented that he was thankful because it has been getting worse every year, and hasn't been graded in 3 years since both previous contractors refused to grade it for fear of damaging their blades. As such, there is exposed bedrock. He thanked the board for bringing it up. **The motion passed 5-0.**

Cavanaugh stated that after paying for that project, there will be \$1698 left over in the operating account, but that there could be another \$8,000 available. McCawley said that there would be then, enough to do all the projects. Ceccarelli asked what the estimated income is. Levin stated \$21,600. Cavanaugh stated that it was decided in another meeting that the reserve fund would be capped at \$20,000, so there would be another \$8,000 available. There was discussion by Cavanaugh and Baxter on the proposed budget for 2017 (see attached) about reducing the budgeted repairs from \$8,000 to \$4,000. Cavanaugh proposed changing the budgeted road repairs to \$6,000 which would make the budget \$24,811 for 2017. McCawley stated that he would like to have a conversation to include the Road Committee and the Contractor to specifically discuss the proposed repair for the washboards on Legend. Cavanaugh suggested a meeting. Levin suggested also including Stanford. Voting on #2, repairs to washboards on Legend, was postponed. Cavanaugh stated that other questions regarding this item would be resolved in a meeting with Suplee and Stanford.

**Cavanaugh made a motion to keep dues for 2017 the same. Baxter seconded. The motion passed 5-0.**

Ceccarelli stated that the road contract should include specifics about “indemnification” regarding the possibility of a contractor causing damage because that burden should not be on the HOA. Cavanaugh agreed that it should be in the contract. Ceccarelli stated it should indemnify and provide specifics regarding coverage of owners. Cavanaugh agreed that it should.

- **Secretary’s Report:** Snider summarized the Secretary’s Report (see attached). Snider also brought two documents provided by a property owner regarding mining for attendees to look at if they were interested.

Snider emphasized the need for the migration to Gmail to better facilitate communication between the property owners, community members, and the board, and to facilitate transition when board members change. There have been multiple requests for information from property owners, which would all be addressed more easily if everything was in one place, such as Google Drive, and could be available to all board members via the official board email at all times. She also stated that Gmail is more secure than yahoo, and more user-friendly. It is also free and has the added option of a website. In addition to being free, there is no need to download special software to make changes to the website, which would facilitate website updates and the ability of all board members to work on the website. Levin said that he would continue to work on the migration to Google.

Snider also stated that she needs to get the annual meeting programmed and going as soon as possible as she is expecting a child in June 2016 and must get as much out of the way as soon as possible. **The date of Saturday, March 18<sup>th</sup> was proposed by Cavanaugh for the annual meeting, and McCawley said the location is to be announced.** Cavanaugh stated that a letter should be sent out to property owners inviting them to run for office, and should include a “reply by” date according to the rules set by CCR. Baxter is the Nominating Committee.

- **Call to Membership:** Gent stated that the mining issue really needs to be addressed in a Board Meeting because there are lots of concerns from property owners and that there is already mining activity near Sugarloaf. Gent also stated that if a property owner has not yet received a letter from the mining company, he/she can file for mining right on his/her property. McCawley said that he would like to invite the geologist for a public meeting. Cavanaugh stated that it needs to be a community led meeting, not a board led meeting. Ceccarelli stated that she had already called the geologist, and that yes, it should be a community meeting, but that the board should also examine closely what its responsibilities are for the common areas, what the CCRs restrict/protect regarding property owners. Cavanaugh invited community members to organize a meeting. Gent asked if they would be able to use roads. McCawley stated that possibly High Lonesome. McCawley asked for a picture, and it was provided from the letter received by the Board. Ceccarelli stated that perhaps a lawyer could frame an argument using the CCRs that would protect property owners from mining, or from having to stake claims regarding their own lots. Gent responded that the BLM has informed him that Federal Regulations supersede CCRs. Ceccarelli responded that yes, they do but it might be something that could be argued in Civil Court, and should be considered by the Board. Gent stated that the BLM will also accept a property owner’s specific claim, but that the cost will be prohibitive for many owners. Ceccarelli also specified that owner’s would only be prohibited from staking a claim on the parcel that is already included by the mining company, but that they could file a claim for the rest of their property. Cavanaugh requested that Ceccarelli forward her comments to the board so that it can be asked of the lawyer. Cavanaugh has sent the lawyer a letter with specific questions as well as documents including

the CCRs and Title Insurance. Ceccarelli stated that the title is different for each property regarding parcels, easement, etc. Gent stated that in the title insurance it states that mineral rights are reserved, but for who? Ceccarelli stated for the BLM. Hritz stated that mining claims have numbers, so when he was mining he could follow a vein of gold if his claim number was lower. Hritz stated that there is already mining exploration taking place in Pearce and Bisbee. Hritz asked where, specifically, on the HOA is it being proposed. Gent stated from one end to the other. Hritz stated that land use exemptions exist to stop mining claims. McCawley asked what can they “casually” do. Hritz responded it is usually seismic testing, which is a charge, like a shotgun testing for ground density. Hritz said he would be willing to work on a committee, but not head it. Ceccarelli stated she would be on the committee, and the perhaps it could be a “camel” committee, meaning there would be no chair.

- **Adjournment:** Meeting was adjourned at 7:40 p.m. on December 20<sup>th</sup>, 2016 by the president, Phyllis Cavanaugh.