

Board Meeting Minutes:
July 18, 2012
BOULDER CANYON BOARD MEETING
6PM @ the Boulder Canyon Clubhouse

Board in Attendance:

Via Skype: Chris Ferril, Susie Sundsby

Via Speakerphone: Brian Wilson

Joined at the clubhouse by Brianne Hansen and Priscilla Garcia of Paul Ash Management Co.

Members in Attendance:

At the Boulder Canyon Clubhouse: Carol & Lee LaCroix, Donald & Yvonne Erford, Marcy Fralick, Kurt McMillen,
Leonard Grennell

Others in Attendance:

Donna Ismajili from National Exemption Service, Inc.

Call to Order by Chris Ferril at 6:00PM

Presentation of board minutes: A motion was made by Brian Wilson to approve the minutes of the board meeting held in May 2012. Susie Sundsby seconded. The minutes were accepted unanimously by the board.

Chris Ferril read the emergency board meeting minutes from June 2012. Susie Sundsby made a motion to accept the minutes, Brian Wilson seconded and minutes were accepted unanimously by the board.

NES Presentation:

Susie discussed the faulty meter battery problems with the current water meter reading service, JR Industries. Since only 13 of 71 problem meters have had their batteries replaced, Donna Ismajili from National Exemption Service (NES) was invited to attend the meeting to provide information on what her sub-metering company can do for Boulder Canyon.

Donna explained that Boulder Canyon is using a tap watch system and NES does have available technicians in the area to provide service to this type of system when needed should Boulder Canyon hire NES. She explained cost and contract options as well as her intent to analyze the water meter data. She also assured the board that NES is flexible and could work with Boulder Canyon's needs. At the end of the presentation, the board requested Brianne Hansen work with Donna to summarize what NES can provide to Boulder Canyon.

Treasurer's Report – by Susie Sundsby

1) May & June Results:

Susie went over the following information:

- Water reimbursement: *May - \$3,235 which is 63% of corresponding water/sewer expenses
*June - 3,738 which is 68% of corresponding water/sewer expense and includes 1st month of rate increase for homeowners
- Legal expenses: *May - \$630 for garage assessment
*Year to date as of 6/30/12 - \$2,737 → over budget by \$1,687
- Maintenance & Repairs: *May - \$1,460 for plumbing roof drain repairs to units 15104 & 15204
*Year to date as of 6/30/12 - \$4,172 → over budget by \$3,922 but under budget \$2,500 in storm drain maintenance
*Overall M&R category - \$46,178 actual vs. \$47,294 for a favorable variance of \$1,115
- Utilities: May and June Irrigation water usage increased. When Oro Valley Water Utility was call, they informed Susie that there is a 4 tiered system meaning if Boulder Canyon is over 32,000 gallons then the rate goes to \$5.38 per 1000's used.
- Net operating income: YTD \$70,880 actual vs. \$45,170 for a favorable variance of \$25,710
- Capital expenditures: *June - \$3,220 due to payment to Olsson from the LC
*Capital exp. YTD - \$30,375 actual vs. \$59,100 budget
* Net income YTD - \$40,500 actual vs. (\$13,930) budget
(Asphalt cap expenditure of \$28,000 actual will be reflected in July's cash flow stmt)
- Total cash (Including \$100,000 CD) is \$767,938 as of 6/30/2012.

2). Annual Reserve Study Contract

Susie explained that the Annual Reserve Contract 12/31/2012 is the last year in Boulder Canyon's 3 year contract. There would not be an on-site visit, and the total cost would be \$1,080. She made a motion to accept the contract, Brian Wilson seconded and motion passed by the board.

3). FHA Approval Status

Boulder Canyon's FHA status expired in December 2011. Paul Ash Management was contacted to look into what it would take to reinstate the status, and Susie explained the cost for the FHA approval process would be \$1,150 through Mutual of Omaha Bank. There are two main problems that prevent the HOA from meeting the general project approval requirements:

- 1) 10% of units are owned by one investor
- 2) 50% of units must be owner occupied

It was decided that it would not be worth starting the process if Boulder Canyon is unable to meet the requirements, but Chris would like to investigate the issue further to be able to provide the information to the homeowners.

4). New Money Market Account

The Finance Committee reviewed the cash balances and interest rates earned. Of the balance in 3 of the 4 money market accounts, the HOA is getting close to the FDIC limit of \$250,000. Therefore, a new money market account should be opened for the \$9,700 monthly reserve contribution because the Seacoast balance is currently at \$243,536. The Finance Committee recommends opening a new money market account at UFB Direct which offers 1.25% interest on money market accounts as of June 20th, 2012 for balances from \$5,000 to \$250,000. The monthly reserve contributions of \$9,700 would then be deposited into this account. The Finance Committee also recommends transferring a large portion of the \$130,916 currently at Alliance Bank earning .38% into the UFB Direct money market account. A motion was made, seconded and passed to go forward with this recommendation to open the new account and also transfer money from Alliance Bank.

5). Garage Assessment Issue

The Finance Committee has also been devoting a lot of time and effort into researching the garage assessment issue. They've gone through other HOA CC&R's but were not able to find comparables as Boulder Canyon is unique in having fewer garages than units. They pulled information from the reserve study to determine square footage for re-painting the wood trim, stucco, and refurbishing the roof (items #1115, #1116, and #1304 of the reserve study). Tom measured the garages and calculations were checked by Brianne and the Finance Committee who provided the information to Kurt McMillen. Kurt provided handouts and explained that based on the preliminary calculations and assumptions used so far, there would not be much benefit in charges owners a garage assessment as it would be less than \$1/month. Chris requested a letter of recommendation from the FC so that the information could be passed on to all homeowners for their input.

Landscaping Committee Report - Presented by George Lord

The LC's key focus is the flooding of unit #13105. They received 3 bids and recommend using Angiolini Custom Concrete to diminish the swale by buildings 12 and 13 to prevent the flooding of unit #13105. George explained to Chris that in doing this, it would be everything Walt Rogers recommended except for a retaining wall. Therefore, this project should be a good solution for a while but would wipe out the landscaping capital expenditures for 2012. The LC's goal is to finish the building 12 & 13 project in 2012 and then move onto other projects in 2013. The board approved moving forward with Angiolini for a total of \$14,600 which breaks as the following:

- \$8,820 - excavate, grade and slope area between buildings 12 & 13 and behind the length of building 13
- \$4,180 - replace and install rock between buildings 12 & 13 and behind the length of building 13
- Up to \$1,600 - to purchase additional material if the excavation of the area filled with sediment behind building 13 and the previously harvested rock doesn't yield the anticipated boulders needed.

George then requested board approval of the contract with Walt Rogers, Landscape Architect. Brian Wilson motioned to move forward, Susie Sundsby seconded and the motion was passed by the board.

George also requested a legal opinion on the requirements of property owners above Boulder Canyon regarding water run-off control onto Boulder Canyon. Brian Wilson said property owners could be liable but would like to look into the issue further. The board decided it would be best to do some research before seeking a legal opinion.

Management Update – Priscilla Garcia

Asphalt Repair/Repaving: Priscilla Garcia requested the asphalt work be approved. The amount due on the invoice from Bates Paving is what was expected plus the additional expense of towing 11 vehicles. Chris requested all towing charges be charged back to the owners. The board approved payment of the invoice to Bates as well as the chargeback of towing charges to vehicle owners.

Irrigation Leaks: It was discussed that 007 Plumbing checked for leaks in irrigation throughout the property but did not find anything. They recommended having the current landscapers look at possible valve leaks that may be responsible for the increase on the recent irrigation utility bills.

Old Business – Chris Ferril

Chris discussed the following items:

- As suggested by homeowner Lee LaCroix, a new speakerphone has been purchased and has proven more efficient for meetings.
- The asphalt project has been completed and totaled approximately \$28,000.
- Bids were received for speed limit signage. The bid received from Territorial Signs was a little high, so Chris did some additional research on the internet and found less expensive signs online from Safety Sign. Motion was made to purchase signage from Safety Sign, motion seconded and the purchase approved. Exact placement to be determined once signage is received.
- Chris informed the owners that the amendment to the CC&R's to correct the garage transfers was accepted by Pima County on 3/15/12 but there are still 3 garages that have not been reassigned properly. The board will continue to keep tabs on this issue.

New Business

Chris Ferril announced that Bill Siegel sold his unit and therefore resigned from the board of directors. The board is reviewing their options to appoint another homeowner to fill the vacancy. Chris gave her many thanks and appreciation to Bill for stepping up and committing his time to Boulder Canyon.

Call to Audience

There was a homeowner question regarding the reserve study. Clarification was provided from the board that there was already an on-site visit from Association Reserves and that Boulder Canyon is currently on the 3rd year of their contract. The last year does not require an on-site visit but this can be re-negotiated for the future contracts after the end of this year.

Homeowner Leonard Grennell had a comment on the paving project. His tenant had difficulty finding their car when they came back from a trip and the car was not in the assigned parking space. He thought there was a lack of consideration by the towing company who moved the car and did not provide a notice of how to find the car. Chris directed the homeowner to Brianne Hansen and requested that she communicate the concern to Bates Paving.

There were no further questions from the audience. Chris noted that the next board meeting will be held on Wednesday, September 19th at 6:00PM AZ time.

Brian Wilson made a motion to adjourn, Susan Sundsby seconded and the meeting was adjourned at 7:25PM AZ time.