

BUCKSKIN ARTISTS COMMUNITY, INC.
Board Meeting Minutes
December 16, 2017 9:05am – 9:56am

Board Members Attending:

Steve Stearns
Doug Eddy
Jim Albu
Cully Howland
Diane Dahlin
Maggie Dahlgren

Jack Haenichen
Shane Tunnell
Ken Pope
Duane Badger
Brian Kennison
Denise Stearns

Others in Attendance

Scott Lanza
Robert Nash

Call to Order - Steve Stearns

Steve called the meeting to order at 9:05. He thanked the board members for attending during the holiday season and stated that the meeting was called with the agenda being to decide on proceeding with the financing and construction of the third well. Therefore, the previous meeting minutes would not be discussed and Board committee's would not provide reports.

Secretary/Treasurer Report - Denise Stearns

Denise discussed the financial document that had been handed out to all attending. Jack Haenichen made a motion to approve; Doug Eddy seconded; approval was unanimous.

New Business – Jim Albu

Steve turned the meeting over to Jim Albu for discussion related to the proposed third water well.

Jim reviewed the document that he had sent to the Board members concerning the rationale for the third well, the estimated cost and proposed payment options. The document is attached to these minutes.

Jim discussed three options for meeting future water demands in BAC:

1. Conserve. Does not anticipate conservation reducing future demands. Water usage has increased on an annual basis for the past several years.
2. Become a real water company, pay to have meters read, send out bills. Cost of water to HOA members would unnecessarily increase to that of Heber Water and Arizona Water rates.
 - a. Jack stated that we would still need a new well to meet demand.
 - b. Maggie stated that more houses will be built in the future and the water demand would increase.
3. Drill a third well. If one of the two existing wells fails during high demand, a third well is required to meet demand.
 - a. An option to buy Omar Eaton's well on Crest Rd. was analyzed, but was disregarded because of the high cost of extensive blasting to provide a ditch for the water supply piping, and unacceptable lease options.

- b. There is enough time before peak demand next early summer to drill, equip and bring a new well on-line.

Jim then discussed two options of paying for the well:

1. Spending about \$35,000.00 from existing funds and deciding on a special assessment of about \$300.00 per HOA member, or
2. Selling the 3.3 acres owned by BAC, Inc. that the lower well sits on and using the income to completely finance the third well. One acre of the parcel (previously 4.3 acres) has already been sold to Kelly Fletcher with an easement for the portion of the lower wellhouse sitting on the edge of the acre. The land is mostly unusable and is located within Buckskin Wash. An appraisal is being performed on the 3.3 acres. We will have the results of the appraisal on December 23.

The following are Board member comments related to the proposed property sale:

1. Jim – Shane Tunnell is interested in buying the property at appraised value.
2. Duane – There was a small park area put in by BAC years ago. Its use was discontinued because of liability issues.
3. Shane - The property is mostly unusable located in the wash. Has had his eye on it for several years as a buffer for his home and adjoining property. He discussed his future plans for the area and his willingness to cooperate with the HOA if the purchase occurs. Easements, ingress/egress considerations will be specified in the deed.
4. Diane – easements are set aside and always run with the land. Suggested to Jim to sell Shane all of the 3.3 acres that he wants to buy.

Scott Lanza was recognized by Steve to speak to the Board. He initiated a lively discussion on water conservation. The following are briefs from comments by those involved in the discussion:

1. Scott – Stated that property watered by some members doesn't have to look like a golf course due to some using excessive amounts of water. He suggested members be charged for usage and meters be read on an annual basis.
2. Diane – Approves keeping properties green and attractive. Commented on the expense for meters.
3. Jim – We pay only \$325.00 per year for HOA dues with water provided.
4. Scott – Had to install a meter a few years ago.
5. Jim – In the last 10 or so years, we have had water meters installed consistently. There are still some properties where water is provided that do not have meters.
6. Brian – He is seeing an average of more people in the off season and off times and more homes. He sees the simple solution to more demand is another well.
7. Steve – The bottom line is that there is more water consumption that soon will result in a shortage for members during a time of high usage. Conservation has been a difficult issue for the HOA to deal with for many years. We have no guidelines and are not an enforcement arm for water usage.
8. Jack (Past HOA President) - Is very sympathetic with Scott's concerns and comments.
9. Maggie – Third well is a very good solution.
10. Scott – If meters were read and billed accordingly, consumption and electrical costs would decrease.
11. Diane – A third well is inevitable.

12. Dwayne – Over the years people have been asked to conserve.
13. Jim – 15 years ago, before the second well, we were asking people to conserve.

Discussion was returned Jim and the third well. The following are items of discussion:

1. Jack asked Jim why the lower well site was not considered for the new well. Jim stated that the lower well is more costly to operate: it requires a booster pump and pressure tank to provide water to the higher elevation properties. The simplest solution and the one making the most sense was utilizing the upper well site for a third well.
2. Diane asked who was doing the appraisal. Aspen Appraisal Service.
3. Jim discussed increased well cost estimates. He stated the higher estimate is because of unexpected higher costs to meet Navopache Electric specifications.
4. Steve stated that the 3rd well is a viable and very reasonable solution to meet future water demands within BAC.

Motion to proceed with the well financing:

Following discussion of a motion made by Jack to sell the 3.3 acres of land, Steve made an amended motion to proceed with the sale if the appraisal was equal or higher than the well construction estimate. If the appraisal was less than the estimate, Steve will call another board meeting to decide on how to proceed with paying for the third well. Cully seconded the motion. The vote was unanimous with Shane abstaining because of a conflict of interest in the matter.

Motion to reimburse Senior Center:

Doug Eddy made a motion to reimburse the Senior Center \$50.00 for allowing us to meet there. Jim Albu seconded the motion. The vote was unanimous to approve the \$50.00.

Other business:

1. Brian Kennison was recognized to discuss his proposal to use a basaltic road surfacing material on roads within the BAC. Artists Draw, Deer Hill and Cliffview Roads are candidates for the material. Brian will get quotes and provide them to the road committee for discussion. After Steve asked, Brian also agreed to become a road committee member. As part of the discussion, several members commented on the continuing difficulty to get the county to respond to requests for work on Deer Hill and Green Valley roads.
2. Shane thanked the two individuals attending who are not board members for their attendance and participation.

Motion to adjourn:

Jack Haenichen made a motion for the meeting to adjourn. Dwayne Badger seconded the motion. It passed unanimously. Meeting adjourned at 9:56.

