

**Kohl's Ranch Homeowners' Association  
2011 Winter General Meeting Minutes (Not Yet Approved)**

**Date:** Saturday, January 15, 2011

**Location:** Pyle Adult Recreation Center, Tempe

**Board Members Present:** Shari Tucker-Gasser, President; Carolyn Ross, Vice-President; Dorothy O'Connell, Secretary; Bill Christian, Betsy Wood

**Pre-Meeting Introduction of Tom Fraker:** Shari Tucker-Gasser introduced Tom Fraker, who is heading up the effort to turn Camp Tontozona into a private, non-profit youth camp with programs for children and/or families with special or unique needs in common, such as, families with a military parent stationed overseas or children with physical, medical or other challenges. In partnership with ASU, students from various disciplines will be used to assist in the programs, such as, students from the colleges of education, social studies and nursing. Grady Gammage explained that ASU will retain ownership of the Camp Tontozona site and enter into a five year operating agreement with the private, non-profit, which will not be charged rent, but will be expected to make improvements to the facilities once it is up and running. Mr. Fraker spoke about the vision for the program to turn "passion into action" and the mission to "change lives at Camp Tontozona". He provided two ways that people could help: 1) Sponsoring a camp week through individuals, corporations and organizations. This was estimated to cost \$5,000-\$10,000 for a week. 2) Volunteer their time and special skills to work on the start-up team to develop a website, publicize the camp, identify potential sponsors, etc.

**Call to Order:** The meeting was called to order by Shari Tucker-Gasser at 12:55 p.m. There were approximately 85 people in attendance.

**Approval of Minutes:** Dorothy O'Connell read the minutes of the 2010 Summer General Meeting. The minutes were approved as read.

**Treasurer's Report:** In the absence of Treasurer, David Midlick, Shari Tucker-Glasser gave the Treasurer's Report. There is over \$22,000 in the Association's account, however, membership numbers are down from 87 homeowners in 2009 to 71 in 2010. Shari called upon the membership to help recruit non-member homeowners, including contacting a Board member when new neighbors move in. Shari told the group that, although the account looks like a lot of money, the Board is trying to plan a budget that will include road repairs and repaving as necessary without having to do another big dollar assessment per homeowner. She called upon Bill Christian to share the figures.

**New Business**

**Road Repair Schedule and Budget:** Bill Christian reported that, based on previous discussion with Virgil Wagner, the estimated cost for the repairs currently needed on the roads would be \$2,000 for supplies and rental of equipment with the labor provided by Bill, Virgil and a few other volunteers. After the currently needed repairs were made, \$1000 should be earmarked every year to keep the roads maintained. The roads will need a single

coat repaving approximately every 5-7 years so we should plan for four years, which will be 2014. The estimated cost for single coat repaving of all the roads is \$35K, but sections of the road that have little traffic and are wearing well may not need to be done until a later date, which would lower the costs initially and allow them to be staggered. Based on these figures, Bill explained that the BOD plans to earmarking \$5,000 to \$6,000 per year for future road repaving. For now \$12,000 will be earmarked from current funds to catch up the past two years (2009 and 2010). At least another \$5,000 will be earmarked for 2011 and the following three years. That would budget at least \$32,000 for road repaving by 2014. This information was met with general approval and no concerns were raised. Bill explained that, if it were not for volunteers providing the road repair, the cost for repairs currently needed would be significantly higher, estimated at \$7,000-\$11,000.

**Request for BOD Volunteers:** Shari restated the importance and reliance the association has on volunteers and the need for more Board members since the BOD is currently at a minimum number. She explained that the Board meets twice a year usually just before the potluck begins and corresponds via e-mail about various issues at other times. As a result of her request for volunteers, Jerry Brooks, Don Weesner and Joey Blasé offered to become Board members.

**Water Emergency Rates:** Shari invited Grady Gammage to discuss the recent emergency water rate hikes. Grady reported that the Arizona Corporation Commission (ACC) had approved an emergency water rate surcharge of \$20.09 monthly for usage up to 5,000 gallons and an increasing three-tier commodity rate charge for higher water usage. The emergency surcharge would be in addition to the monthly base rate of \$5.75. Although this was an approximate 400% increase, it is considerably less than the approximate 700% increase that was originally requested by ILX. Grady explained that there had not been a water rate increase since 1972, the longest period in the State and possibly in the country. In past years the Kohl's Ranch Lodge paid the same water rates as the residential homeowners but ILX, the Lodge's owner, had used its own supplies and staff to run the water company and thus, supplemented the water company by about \$60,000 annually in recent years. When ILX went bankrupt it requested the emergency water rate increase so that the water company could become a freestanding operation and, once profitable, they would be able to sell it. The major issue between the homeowners and ILX was the percentage that the Lodge should pay compared to the homeowners. In the original application ILX requested a 60-40 split, with the homeowners paying the larger percentage. Thanks to the "forensic" water rate/cost research done by Don Weesner, a case was made by the KRHOA, represented by Grady, to the ACC that the Lodge should be paying the greater percentage. Grady also complimented the ACC staff and Administrative Law Judge for their attention to detail and work toward finding as equitable a solution as possible. (The final split was approximately 55%-45% in favor of the homeowners). Grady reported that ILX is now 90% sure they have found a buyer and the new buyer will go through the process to have the ACC set a permanent water rate. Grady said that during the emergency rate process it was necessary to sort out what equipment, storage and facilities is owned by the water company versus what is owned by the Lodge since the water company has always been owned by the Lodge in the past. He also explained that a reestablishment fee was set by ACC that would equal the monthly base rate plus the surcharge (\$5.75 base + 20.09 surcharge = \$25.84 monthly) times the number of months the water account had been discontinued with the water company, up to 12 months. Grady explained that this reestablishment fee was set to discourage homeowners, who only use their cabins seasonally, from closing their accounts for part of the

year. This would greatly lessen the revenue needed by the water company to operate, which would result in prohibitively higher rates for the other homeowners to pick up the slack. Appreciation was expressed to Grady and others for the work they put into this issue and the part they played in the more favorable outcome.

**Honorable Mentions:** During the discussions on repairing the roads, water rates and volunteerism, special thanks was given to **all the men who participate during the Clean-Up Days** and do the heavy lifting to cart out all the bags of refuse. Shari also told the group that **Denise Wagner and Margaret Midlick** developed the KRHOA website and Margaret continued to maintain it. **Grady Gammage and Don Weesner** provided invaluable assistance and expertise during the emergency water rate issue. Shari told everyone that the BOD was considering an annual award for contributions to the community and other ways to recognize outstanding volunteers.

**Exclusion of non-payers from potlucks and meetings:** Shari brought up to the group that, according to the by-laws, only dues paying members should be attending meetings and voting. In order to ensure that this by-law was followed, a policy of excluding regularly non-paying homeowners from the pot lucks and meetings was going to be more stringently enforced, except for invited guests, new homeowners and those planning to pay their dues at the meeting.

**Announcement of Clean-Up Day and Summer Pot Luck & Meeting Dates:** Shari announced that the next Clean-Up Day is scheduled for June 4<sup>th</sup> at 8:00 am. The Summer Pot Luck and Meeting are scheduled for July 16<sup>th</sup>.

### **Old Business**

- Shari said the federal grant concerning water quality control had been signed and more information would be obtained about it.
- Further research into installing a gate on Buenagua Road has been tabled.
- Firewise is proceeding according to program requirements.
- Lee and Carla Kishinami are building a new cabin on their vacant lot on University Dr.

The proceeds from the raffle were donated to the private, non-profit Camp Tontozona program.

The meeting adjourned at 1:45 p.m.