

**APPROVED**  
**SAGUARO VIEW MANAGEMENT, INC.**  
**Board of Directors Scheduled Meeting Minutes**

Saturday, July 20, 2019  
08:30 AM - Sun City West Foundation - Quail Room

SVM scheduled meeting held by sitting Board of Directors (Jim Smith, Newilda Sosa, Martin Rankin, Ron Minchella, Rick Molera) was, primarily, to conduct follow up action on committee reports: Water, dirt roads, SVM Document modernization / updates & address enablement of certificate of deposits to protect monetary assets under the **FDIC** guaranteed deposit insurance program - to 100% protect all SVM monies, per our fiduciary responsibilities / accountabilities.

In addition, to review & remediate outstanding association agenda items. Propose motion(s) for action, after board deliberation, with member input. Culminating with a board vote to either approve or decline seconded motion.

Meeting called to order by President Smith at 08:30am

Seventeen Association members were in attendance

Secretary Molera completed roll & quorum call - All Directors present, quorum confirmed - Newilda Sosa arrived late; was in attendance by 8:36am.

**President's Comments:** Mr. Smith delivered a short definition of the Duty of Care and Fiduciary Responsibility with regards to how it applies to the SVM Board's responsibility to the SVHOA shareholders. After this commentary, and to illustrate its meaning, he answered some concerns presented by attending shareholders. He also reiterated the SVM Board Meeting Protocol in which attending shareholders will be given an opportunity (with certain limitations on number and time) to speak "for" or "against" an active motion before the SVM Board prior to Board's vote on that motion.

**Duty of Care** may be considered a formalization of the social contract, the implicit responsibilities held by individuals towards others within society. It is not a requirement that a duty of care be defined by law, though it will often develop through the jurisprudence of common law.

**Fiduciary Responsibility** refers to the obligation that one party [SVM] has in relationship with another one to act entirely on the other party's behalf [SVHOA Shareholders] and best interests. It is considered to be the standard of the highest care.

These two tenets are the basis of the **A.R.S. § 10-3830 • General Standards for Directors:**

A. A director's duties, including duties as a member of a committee, shall be discharged:

1. In good faith.
2. With the care an ordinarily prudent person in a like position would exercise under similar circumstances.
3. In a manner the Director reasonably believes to be in the best interests of the Association.

B. In discharging duties, a Director or Officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by any of the following:

1. One or more officers or employees of the corporation whom the director reasonably believes are reliable and competent in the matters presented.

2. Legal counsel, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence.
3. A committee of or appointed by the board of directors of which the director is not a member if the director reasonably believes the committee merits confidence.

## **July 12, 2019 Special SVM Board meeting & June 1, 2019 Scheduled SVM Board meeting minutes**

**Motion #1:** Move to approve 07/12/2019 special meeting minutes, as received

++ Posted on website under "**MINUTES**" tab

**Motion-Smith, 2nd-Minchella & Passed - 4 Yay, 1 Nay**

**Motion #2:** Move the 06/01/2019 scheduled meeting minutes be approved, as received

++ Posted on website under "**MINUTES**" tab

**Motion-Smith, 2nd-Minchella & Passed-Unanimous**

**Treasurer's Report:** Per June 30, 2019 balance sheet - U.S. Mail - Delivered to ALL Members

As of June 30, operating income = \$260,507.21, with total assets of 274,405.24.

Current year operating expenses = \$97,969.11.

**Motion #3:** Move the 07/20/2019 treasurer's report be approved as read.

**Motion-Smith, 2nd-Molera & Passed-Unanimous**

Delinquencies - Coordinating collection efforts with Colby Management, legal counsel & board

Unfinished Business - NONE forwarded and/or pending.

### **New Business:**

Remove SVHOA architectural request from our website - Webmaster Doug Villa addressed.

Establish FDIC insured, certificate of deposit, to guarantee all SVM monetary assets are protected, in the safest, most legal, and responsible manner possible.

### **Bank of Omaha CDARS CDs**

**CDARS definition = Certificate of Deposit Account Registry Service.** CDARS offer a convenient way to access FDIC insurance on multi-million dollar CD deposits and to earn CD-level rates, which often compare favorably to Treasuries and money market mutual funds.

**Motion #4:** Move the board approves setting up a laddered system of three (3) \$10,000 52 week CDARS CDs, purchased on three (3) month intervals, to be cashed in or renewed at maturity or reinvested for additional 52 week period, at the board's discretion.

**Motion-Smith, 2nd-Molera & Passed-Unanimous**

Review & approval of adhoc water committee report - R.Molera, M. Rankin, T. Chittenden

R. Molera requested Joe Fiano (i.e., our water treatment operator - WTO, Inc.) email SVM final **2018**

### **Consumer Confidence Public Water System Quality report - Posted on website**

++ J. Smith, president - Signed & certified the report - mailed it back to WTO - They shall submit it to AZ Dept. of Environmental Quality, per statute, before the end of July.

++ FYI to members: Arsenic level was reported at 3.6 parts per billion, far below the legal limit of 10 parts per billion.

++ Full committee report posted on our website.

Respectfully submitted: Rick Molera, Martin Rankin, Ted Chittenden

**Motion #5:** Move the board approve adhoc water committee report & pending actions

Assign Ted Chittenden prioritized work item task list

+ Flush water lines & use the water on dirt roads for dust abatement

- + Concrete / install traffic lids on seven (7) water main valves
- + Remove unreachable standpipe southwest of 159th ave & PeakView Rd

**Motion-Smith, 2nd-Minchella & Passed-Unanimous**

Review & approval of adhoc road committee report - C. Zurcher, S. Phillips, and J. Smith.

The ad hoc Saguaro View Mgt. Roads committee (Scott Phillips, Clete Zurcher, and James D. Smith) met with Surprise City officials (Lloyd Abrams, Mike Gent, Suneel Garg, and Laribeth Kirkendall) on June 26, 2019 at 3:00-4:00PM.

Clete Zurcher presented a detailed account of the Association’s desire that the City of Surprise accept the existing 20’ ROWs as a first step in moving forward. While the City said that sidewalks and street lights are not a concern in the width of the ROWs, they maintained adherence to their 2006 Public Road Plan (PRP). Clete pointed out that the City has, in the past, accepted ROWs in other parts of the City that are similar to Saguaro View ROWs.

The 2006 PRP calls for Morning Vista to have 25’ ROWs. Approximately 50% of the road easements on Morning Vista have been dedicated to Public. The City’s justification for a 25’ ROW is based on the fact that it is a 1/4 road. We are trying to persuade the City to accept Duane Lane and Skinner Road as 20’ ROWs because they are 1/8 roads, similar to other roads the City has accepted in other locations in the City.

After our meeting with these officials, we submitted questions. “Please see below as discussed on the phone, this is currently where we [SVM ad hoc Roads Committee] stand on these questions. Maintenance of the right of way does not mean a paved surface but just grading of the existing dirt roads if and when accepted by City Council.” [Bracketed text added for clarity]

Lloyd Abrams, Assistant Director of Community Development, City of Surprise, responded with written answers.

1. **Committee:** Will the City begin road maintenance immediately once they have continuous dedicated ROW’s?  
**Abrams:** Once City Council has accepted the dedicated right of way it will be programmed [sic] into the public works [sic] maintenance system. Note it must be the full 50’ right of way (25’ each side/parcel). *Saguaro View will blanket the ROW’s needed.*
2. **Committee:** Is the city willing to take over all the roads in Saguaro View not just the roads that were originally targeted in 2006? Duane and Skinner are now included?  
**Abrams:** Provided that City Council accepts the dedicated right of way and there [sic] it is the full 50’ right of way (25’ each side/parcel).
3. **Committee:** Will the city bear all the cost of maintenance and future improvements to the roads in exchange for the granted ROW? There won’t be any improvement taxes levied for the road repairs?  
**Abrams:** At this point in time I cannot speak to the statement further discussions are needed.

The quitclaim procedure for converting private road easements to public road easements is available on the sign-in table. It will be sent to shareholders and posted on the website. Those shareholders who have previously completed the process do not need to repeat it.

After our meeting, James Smith contacted Trish Greenlief, Accounting Supervisor, Colby Mgt. to compile Saguaro View Mgt. Road Maintenance Expenditures for the years 2007-2019, presented below:

**Saguaro View Roads  
Road Maintenance 2007-2019**

Year	Amount
2007	\$9,223
2008	\$13,437

2009	\$9,652
2010	\$17,242
2011	\$15,140
2012	\$14,930
2013	\$10,775
2014	\$15,563
2015	\$9,294
2016	\$16,961
2017	\$13,716
2018	\$12,600
2019	\$12,000

\$170,533

It became clear that the SVM Board needs to determine the extent of Saguaro View Mgt.'s obligation to maintain private road easements within the boundaries of the Association. SVM President Smith took a proposal before a special meeting of the SVM Board July 12, 2019 to seek a legal interpretation of certain language in the 1980 SVM Articles of Incorporation and 2003 Restatement of the SVM CC&Rs pertaining to this responsibility. A motion was made by Smith, seconded by Sosa, to seek legal counsel from the Bainbridge Law Firm L.L.C. The motion passed unanimously by the four directors present; Director Rankin was absent.

Respectfully Submitted: Scott Phillips, Clete Zurcher, James D. Smith

++ Quitclaim deed procedure shall be made available, upon request & via the website, to any/all SVM Association members willing to cooperate and help out our City & Association.

++ Follow up meetings with the City are pending - Full committee report posted on our website

**Motion #6:** Move the board approve adhoc road committee report

**Motion-Smith, 2nd-Minchella & Passed-Unanimous**

Review & approval of adhoc document committee report - R. Minchella & J. Smith.

**Motion #7:** Due to time constraints - Move to postpone committee update to the August 31, 2019 scheduled SVM meeting

**Motion-Smith, 2nd-Minchella & Passed-Unanimous**

**Smith Motion to Adjourn**, 2nd Minchella - passed unanimously - at 10:14am.

President Smith called to order a closed executive meeting of the SVM Board at 10:20am.

The scheduled meeting was Properly Noticed - June, 2019 agenda mailing & authorized by

**A.R.S. § 33-1804(A3, C & D)**

The business of this meeting is to remain confidential as per statute - Meeting adjourned at, approximately, 11:00am.

Respectfully submitted: Rick Molera Secretary