

PINE MEADOWS COUNTRY CLUB ESTATES  
MINUTES OF THE BOARD OF DIRECTORS MEETING

October 21, 2023

OPEN MEETING

The Regular Board of Directors Meeting was held on October 21, 2023, at the Heber-Overgaard Fire District Station, located at 2061 Lumber Valley Road, Overgaard, Arizona 85933.

1. President Bill Johnson called the meeting to order at 9:00 a.m.
2. Board Members present were Bill Johnson, Bill Kelley, Mark Clennan, Mike Finney (via telephone), Joe Studnek (via telephone) and alternate Jeff Ford. All five directors being present, the Secretary declared a quorum was present.
3. Also present at the meeting were Lori Hughes, Treasurer, Dodi Bailey, Assistant to the Treasurer, and Gale Lewis, Assistant to the Architectural Committee.
4. Appearing telephonically was Steve Feola, Counsel to the Board.
5. There were approximately eighteen other guests/members present.
6. The first order of business was discussion and approval of the Minutes of September 16, 2023.

Jeff Ford requested an amendment to paragraph 13, subparagraph 24, of the September 16, 2023 minutes to reflect, "No risks were identified in reaching out to ADEQ."

Jeff Ford requested an amendment to paragraph 14 of the September 16, 2023 minutes to reflect, "Neither authorization to expend HOA funds nor any limitations were included in this motion or discussion."

Jeff Ford requested the portion of paragraph 18, which reflected that, "Jeff Ford was authorized to do whatever was necessary to obtain the telephone number and it was suggested that Lori Hughes may have the contact information," be stricken from the September 16, 2023 minutes.

Bill Johnson indicated that since the HOA does not have the phone number with respect to the heirs and/or beneficiaries that this would be a moot issue.

The September 16, 2023 Minutes, to include the first two amendments requested by Jeff Ford, were unanimously approved.

7. The second order of business was a review of the Treasurer's Report prepared by Dodi

Bailey, which consisted of a Balance Sheet as of September 30, 2023.

Lori Hughes, Treasurer, indicated that she only brought limited copies of the Balance Sheet for the Board Members. Anyone desiring copies of the Treasurer's Report should send an email through the "Contact Us" section on the HOA website and Lori Hughes will ensure they receive copies.

Lori Hughes provided a Properties Report with respect to real estate/land currently for sale, pending real estate sales and closed real estate sales within the community.

Lori Hughes also advised the taxes were filed as appropriate.

Lori Hughes addressed questions from the guests/members with respect to the Treasurer's Report and Property Report.

Bill Johnson indicated when Dodi Bailey first came on board, as Assistant to the Treasurer, the Board had originally approved a motion that Dodi be paid for her services. Bill Johnson further indicated it has come to his attention that because Dodi is related to him, she is not legally authorized to receive compensation. Dodi Bailey will not receive any compensation for her work with the Board.

Discussion was held with respect to what happened with HOAMCO and the reason they no longer work with the HOA.

Bill Johnson moved to approve the Treasurer's Report. Upon unanimous vote of the Board, the Treasurer's Report was approved.

8. Architectural Report was provided by Mark Clennan as follows:

2234 Fairway Drive submitted a request to install fencing.

2229 Fairway Drive submitted a request to grade and level their property and install a paver driveway.

2231 Country Club Drive submitted a request to install new windows consistent with what is currently installed.

Discussion was held regarding the community sign and right of way (ROW) placement. Lori Hughes suggested contacting the County with respect to ROW issues. Mark Clennan indicated that he would spearhead and take the lead with respect to the community sign.

Bill Johnson moved to approve the Architectural Report. Upon unanimous vote of the Board, the Architectural Report was approved.

9. Steve Feola, Counsel to the Board, appeared telephonically to provide the Board and the guests/members an update on the pending litigation of State of Arizona versus Gina's Gold Canyon Resort LLC, et al., filed in Maricopa County Superior Court on June 12, 2023. The State of Arizona is represented by Assistant Attorney General (AAG) Jeffrey



D. Cantrell. The Saiz' are represented by counsel, James M. Cool.

Steve Feola indicated that he contacted AAG Jeffrey Cantrell on September 20, 2023 and left a message. Later that day an assistant to Jeffrey Cantrell returned Steve's call and provided the following update with respect to the lawsuit:

The Consent Decree setting forth the agreement between the State and the Saiz' should be finalized in November.

The State feels the Saiz' are cooperating.

The sewer is operating satisfactorily, and the State may be inclined to waive the daily fine associated with the previous noncompliance.

The State is requiring the sewer plant be brought back up to the specifics as set forth in the 1988 permit.

Steve Feola provided a lengthy and detailed history of the sewer plant and its ownership.

An inquiry was made as to whether Steve Feola knew how long ADEQ would continue to monitor the sewer. Steve advised he was not sure how long ADEQ would monitor the sewer, but he did indicate that a sewer operator was identified and the HOA was provided with that information.

Bill Johnson inquired if there had been any indication as to how the Saiz' might recoup costs they incur in getting the sewer brought up to code. Steve advised that he had not heard anything and the Saiz' are more than likely waiting until the Consent Decree is finalized to determine assessment costs.

Jeff Ford addressed his view of the need to be proactive with respect to the future of the sewer plant.

Lori Hughes indicated that Jeff Ford was previously going to obtain a fee schedule with respect to attorney Patrick Black and inquired if that had been done. Jeff Ford indicated that he had not contacted Patrick Black.

Discussion was held regarding prior emails between the Board Members regarding the need for an attorney. A lengthy discussion ensued regarding the issue.

Discussion was held regarding the documents Bill Johnson received from Steve Feola with respect to the HOA/sewer plant and why that information was not provided to all Board Members.

Discussion was held regarding PMCC. The Saiz' currently own PMCC, and to date no information regarding their intentions has been provided.

Steve Feola clarified the HOA never owned the golf course or the sewer plant. Steve again provided a lengthy history as to the ownership of the golf course and sewer plant.

Jeff Ford indicated he has serious concerns as to how to approach the sewer issue.

Jeff Ford indicated that according to the Arizona Corporation Commission (ACC) the HOA currently owns a for profit LLC, entitled PMSP Services, LLC. Jeff further indicated that according to his research PMSP Services, LLC is active, in good standing and annual reports have been filed. Dodi Bailey pointed out that according to the information on the ACC webpage being shown on the screen behind the board, that in fact no annual reports had ever been filed.

A lengthy discussion was held regarding the creation of PMSP Services, LLC and the ownership. Steve Feola indicated that due to the death of one of the owners, Larry Maxwell, it was his impression that PMSP services was defunct and should have been dissolved. Steve further indicated that he is unaware of who would be filing annual reports for PMSP.

Bill Johnson requested that Steve Feola provide all records, as far back as he can go, with respect to the HOA/sewer plant. Additionally, Bill requested that Steve look into PMSP Services, LCC and ascertain who has been filing the annual reports.

Jeff Ford discussed creating a work group regarding the sewer plant and again raised the issue of contacting ADEQ.

Discussion was held regarding emails sent between the Board Members. All Board Members agreed to refrain from sending terse emails back and forth. Additionally, it was agreed that all Board Members will be included on all emails.

Lori Hughes suggested that Jeff Ford contact ADEQ to see where they are positioned with respect to the sewer plant.

Discussion was held regarding the need to hold a special meeting of the HOA after the Consent Decree is published.

Discussion was held regarding the timeline for Steve Feola to produce the HOA/sewer plant records on a thumb drive to Bill Johnson.

Bill Johnson indicated that he would contact Steve Feola to get an idea of when he would be able to have the records copied and sent.

Guest/member Nick DeBenedetto requested copies of all HOA/sewer plant records be provided to him within 10 days as required by law.

Discussion was held regarding whether it is possible to have a closed meeting, if necessary, as it relates to any information and recommendations from the work group regarding the sewer plant.

Jeff Ford indicated the work group meetings for the sewer plant would be open meetings.

Bill Johnson moved that Lori Hughes and Jeff Ford will form the nucleus of the work


group to delve into the sewer plant, without any obligations from the HOA.

The **Mission/Scope** of the work group will be as follows: Define the problems and/or issues with respect to the sewer plant and identify and/or outline possible solutions.

The work group will then come back to the Board with a report for further discussion and consideration. Upon unanimous vote of the Board, the motions were approved.

10. The next Board Meeting is scheduled for April, 2024 (specific date to be determined) at 9:00 a.m. at the Heber-Overgaard Fire Department, located at 2061 Lumber Valley Road, Overgaard, Arizona 85933.

There being no further business to be brought up before the open meeting portion of the Board of Directors Meeting, upon motion and unanimous vote, the meeting was adjourned.

  
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Michael Finney, Secretary  
Pine Meadows Homeowner's Association

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