

**SAN IGNACIO HEIGHT, INC
SPECIAL BOARD MEETING (HEARING)
NOVEMBER 7, 2022
CANOA HILLS CENTER
GREEN VALLEY, ARIZONA**

Call the meeting to order:

Don Julien called the meeting to order at 10:10 am.

Quorum:

A quorum was present consisting of board members, Skelton, Plantz, Fenner and Reilly.

Purpose:

The purpose of the meeting was to review the Roads study report and to obtain member input (questions, comments, and concerns).

Guests:

There were 73 guests present representing 61 members. (See attached attendee list)

Julien:

Julien made some opening remarks and provided a history of the roads project and reviewed some of the road work that had been completed in the past.

Julien introduced Al Loomis, Chairman of the Roads committee.

Loomis:

Loomis provided an overview of the committee's work and introduced Michael Frank of Frank Civil Consulting.

Frank:

Frank reviewed and highlighted the roads study report that his firm had conducted on behalf of the HOA. Frank touched on many aspects of the report including: explaining the life cycle of asphalt, seal coat peeling, cracks in asphalt and their causes, asphalt shrinking and that most of the cracking and shrinking has nothing to do with the underlay of the road bed, structural fatigue. Frank stated that the condition of our asphalt is normal due to the aging of our streets.

Frank fielded questions from the members (see attached Q and A).

Julien:

Julien thanked Michael Frank for his presence. Julien provided the members with a highlighted report of the various options that the roads committee and board has looked at thus far. Julien next proceeded to field questions from the members. Some of the questions were also answered by John Plantz (see attached Q and A).

Julien asked Skelton to provide a financial overview of road projection costs, budgeting, and general financial condition of the HOA. Skelton fielded a few questions from members pertaining to investment of funds and the possibility of the HOA borrowing funds to cover the cost of the roads project (see attached Q and A).

There was some exchange of general comments between Julien and the members.

Julien declared the meeting adjourned at 11:50 am.

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ATTENDEE LIST**

Guests:

Michael Frank and spouse
Paul Smith, SIGE Golf Estates

Members in person:

Gin and Denny Skelton	Keith and V Seibers
Don Julien	Al Loomis
Dave and Yoli Oliver	Diane and John Plantz
Doug Jurgens	Kathy Weinzierl
Beverly Owen	Russel Winkler
James Trimbell	Karen Logan
Beth Niccoli	Maria Fotheringham
John Felsch	Al Malecha
Don Fitz	Philip and Sandra Ott
Greg Raveaux	Marianne Checkovich
C.K. and MaryAnn Mathison	Phil and Karen Pitts
Will Hamilton	Charles and Valerie Lutes
Josalinde and Mark Blevins	Donna and Tom Geoghegan
Dale Miller	Chuck and Carol Willie
James Trobec	Eloise Fredrickson
Dave Fenner	Hugh Bell
Tom Kane	Norma Baker
Bill Bates	Patricia Hentel
Vicky and William Bowman	John Morgart
Sonita Jensen	Ken Serena
Rick and Pam Beck	Nancy Stewart
Kathy and Gale Haddick	Sally Grinton
Ira D. and Myrna Cochran	Mike and Janet Fitzsimmons
Orren Bendickson	David McLean
Don Fern/Judy hedges	MaryAnn Mathison
Judy Lindsey	Steve and Barb Wentz
Ralph and Norma Hartsock	Rick Lupu
Bernie Kuehn	

Attending Via Zoom

Judy Trujillo	Kate Leal
Jeanne Macauley	Roland Ward

SAN IGNACIO EHIGHTS, INC
NOVEMBER 7, 2022
SPECIAL BOARD MEETING
QUESTIONS, COMMENTS, ANSWERS

The following questions or comments were received either by email before the meeting or questions asked at the meeting. Q = question, A = Answer, C = Comment

At the meeting – asked of Michael Frank

Q. A questions was asked about the cracks in the street that have been repaired previously but showing wear again.

A. Frank explained that “sawcut cracks” is one example of a poor road repair concept where previous work would include cutting the asphalt about 3-6 inches on either side of the crack and then applying new asphalt. Putting asphalt or coating on a delaminating coat would continue to delaminate.

Q. Why can't we chip Seal?

A. Chip seal will delaminate as well as is not recommended. It breaks down faster and needs to be touched up on a regular basis. It results in spending dollars without really fixing the problem.

Q. What did the core sample show”

A. They did not perform a subgrade analysis but referenced the results of a soil study that was conducted previously and provided to them. The soil study had to do with the soil's plasticity index (PI). The ideal for a substrate is 6. The study revealed our substrate to be 21 to 24.

Following is an explanation of stabilization used in soil mixture treatment.

Stabilization: Stabilization refers to a treatment wherein lime or Portland cement are thoroughly mixed into the soil to strengthen it. Percentages of the mix are commonly calculated by a civil engineer and are based on the soil's P.I. (Plasticity Index).

– High P.I. – This soil is very expansive, meaning it will swell when wet / shrink back when dry. These heavy clay-type soils can develop large cracks in the ground and can cause pavement failure in both asphalt and concrete. Lime is most often used for high P.I. soils.

– Low P.I. – These sandy conditions often receive Portland cement stabilization. Blends of Fly Ash, lime or other products can be used in various applications as well."

Another way of dealing with a high soil PI is to increase the thickness of the asphalt layer. That's why Frank Civil Consulting is recommending a three inch rather than two inch layer.

Q. I've heard of some new asphalt types, are they being considered?

A. A fairly new product out is called “cool pave” and is not significantly more effective than what is normally being used and the cost is two to three times more.

Q. Are there products other than asphalt and concrete?

A. There is a product or process referred to as “brick pavers” but is not recommended.

C. A member mentioned they were aware of ground up tires being used in asphalt in San Ignacio Vista and should we look at that?

A. About 8% of all asphalt uses recycled products. Overlay is a wearing surface and does not correct what is below the top layer. Rubberized asphalt is about 20% higher in cost.

Q. How much is the cost per linear foot per household?

A. Plantz responded that the estimated cost as been estimated at \$10,000 per household.

C. I would like to see various options containing the cost and the life of each option.

A. That information can be provided.

Q. Does your study, if done in phases, prioritize which roads would be done first, etc.?

A. Sections would be done in geographical areas rather than on a priority basis so as not to leave gaps from once section to another.

Q. Can you outline how long a certain technique will take as in a 10 year fix versus a 25 year fix?

A. The cost of a ten year fix can be determined and compared to a 25 year fix, however with a ten year fix, you will be doing some repair work sooner and perhaps more often.

Q. Does your firm contract the work with us?

A. As your consultant, we would submit the scope of the project you decide on to five contactors to obtain their bids for the work. The bids with our recommendations would then be presented to the Board/Roads committee to make a decision as to which contractor bid to pursue.

Q. What are you seeing in the fluctuation of costs in the past year or two (should we decide to delay any decision for a few years)?

A. Because much of this is based on the cost of oil, we have seen costs range from \$71 in January to the mid \$80's and \$90's today. Costs are going up and over time they could go down. Costs generally rise faster than they do going down.

C. So doing the total project in phases could essentially save us money.

A. Early phases of a project could cost more than later phases or vice versa. As stated earlier, when costs start to go down, they tend to go down at a much slower rate than when they went up. Doing the project in phases is a viable option to consider.

C. A comment was made that GVC will be conducting some forums for road repair on private streets in PIMA county with a report expected towards the end of 2023.

A. No response.

Asked of Julien and/or the board and roads committee:

Q. Will the golf course and San Ignacio Estates participate in the project as it pertains to Desert Jewell.

A. There was some form of agreement in the early 90's for all three entities to participate in the maintenance of Desert Jewel. We are not sure if that relationship exists today and would need to be revisited. Having said that, it would be our position at this time to do that street last.

Q. Have we looked at the HOA securing a loan for this project?

A. Skelton shared that financing is available and explained that the lender would analyze and most likely dictate what our dues structure would have to look like for the loan to be approved. Interest rates are high and climbing and not much different from consumer personal loan rates.

Q. When was the last time this HOA had an assessment?

A. A member of the Roads committee responded that the funds from that assessment (\$500) were spent on road repair in 2007.

Q. Will there be more meetings like this in the future?

A. The short answer is yes plus members will have the opportunity to ask questions at the November, December, January regular board meetings as well as the annual meeting in February.

Q. If we do this project in phases and assess members over a three year period, who pays if a member sells their property during the first year.

A. The assessment stays with the house and the current owner in a given year would be responsible for paying the assessment. Later, Caroline Reilly stated that in some sales agreements, the buyer may negotiate the seller to pay the assessment in closing.

Q. Are there any federal grants available.

A. No. Because of the type of community we are in, we do not qualify.

C. Individual loans during recession doesn't sound like a good idea.

A. Obtaining a loan to pay any assessment is just one option and a personal choice.

Submitted via email before the meeting:

Q. Is it really necessary to do such a full costly job right now, not do some patching here and there. I suspect most folks don't consider their street to be in bad shape or feel they'd get thousands of dollars of value from a big job. Does waiting really make it lots more expensive later?

A. Most of this question/comments have been answered in some fashion above, but to summarize, it potentially can cost a lot more by waiting. Doing the project in phases is an option that can be considered. Unless one reads the report, it is very possible that people may feel the roads are not in bad shape. According to the consultant's study and review of our current road conditions, the majority of repair work done in the past was done in such a fashion that in essence we were wasting our money.

Q. Many folks seem likely to feel stressed to come up with such \$\$ right now. When would it be charged (when the job is approved to get underway, when the work is done, on your own street or all streets?) Is there any payment plan procedure (without high interest charges?)

A. Contractors expect payment before the work would begin. If the project is done all at once, it would require an assessment of front (all at once), If done in phases, an assessment could take place each year until the total project is completed. Any assessment would require a majority vote approval of the members before moving forward.

Q. Some people are buying or selling. At what date would the charge go to the property?

A. The assessment stays with the property. For example, if a three year assessment is pursued and an owner sells his/her property in year one, then the current owner would owe the first year assessment and the new owner would be responsible for years two and three.

Q. Is there any way of addressing the heavy delivery – or service-trucks/garbage trucks damaging streets to help prevent further road erosion, and the consequences of water/sewer line road work job procedures and patching.

A. Our current roads are a depth of 2 ¼ inch. The consultant recommends a depth of 3 inches which would withstand the weight of the heavier trucks. We are a private road HOA and do not have policing authority for anyone driving through our complex. It would be tough to enforce any weight limits and who would do it? Road work done by utilities in the past has been according to county code, so there is no recourse if we don't like the job they performed.

Q. What are other HOAs doing along these lines? Are some actually successfully charging HOA members such high amounts and being able to collect?

A. Other HOAs have had their roads worked on. Some have done it in phases, while others have done it in one project. We are not aware if other HOAs have had difficulty collecting their assessments or how much their assessments were.

Q. Report does not address Republic using very heavy waste removal truck. We have Titan which uses a small truck and is loaded by hand. Not the heavy arm like Republic. Cracks will continue as long as they are driving in the neighborhood.

A. This question/comment has been answered or commented on twice earlier in this document but not by the specific company name of Republic.

Q. Will signs be posted to limit ANY vehicles over a specified weight.

A. That can be done and then it becomes an issue of how do we enforce it? As private roads, PIMA county will not enforce any violations, that would be up to the HOA.

C. We should look for more than 1 assessment. This company states completed project only gives us 3-5 years AND cracks will need to be filled every 12-15 months.

A. In the report, certain roadways would be repaired rather than removed and replaced. Streets that are repaired rather than remove/replace would be a temporary fix and require heavier maintenance on a more frequent basis and eventually would need to be removed and replaced. A remove and replace of the entire HOA would not have these issues.

Q. This doesn't seem to be a good value. Instead of putting sealant down why don't we fill the cracks like this company would?

A. The study does propose that some roads be removed and replaced while other can be repaired. Eventually all of our roads at some point in time will need to be removed and replaced.

Q. How do we hold water, cable, etc companies accountable when they dig up, put their repair, but don't reseal?

A. According to the most recent project of this nature that was performed it was done according to county code and it is our understanding we have no recourse if done according to code.