

**VALENCIA OWNERS ASSOCIATION
MEETING MINUTES
September 18, 2007
CHANDLER BIBLE CHURCH**

BOARD MEMBERS PRESENT:

Holly Badke, Millie Christensen, and John Lusko

CALL TO ORDER at 6:38 PM

REPRESENTING AAM: Paula Kennedy

APPROVAL OF MINUTES

The minutes of the August 21, 2007 meeting were unanimously approved.

LANDSCAPE

Adrian Molina of Copper Canyon attended the meeting at the request of AAM. Barbara Denault and Paula met with Adrian on the HOA property a few weeks prior to this meeting to discuss the maintenance items that were not being done. Adrian committed to complete all items prior to this meeting. Copper Canyon worked extra days to complete all of the deficiencies. The deficient items were included in the August meeting minutes.

Paula requested proposals for the following items:

1. Planting winter flowers in the flower beds at the monuments
2. Replacing plants that died
3. Planting winter grass in the common areas
4. Replacing the clocks.

Adrian had provided proposals for the following items:

1. Improvements for the three islands in Champagne
2. Improvements for the common area along Baylor Lane between Golden Lane and Baylor Lane (2 areas)
3. Improvements in the median along Seville.

The granite and drip systems in these areas are in poor condition. The cost of all of these proposals is approximately \$24,000 and probably exceeds available funds in the budget. The board will review the various proposals and determine the ones to be implemented.

The board discussed the deterioration of the drip system in the median along Seville. It can be replaced in kind with poly line pipe or with the more expensive PVC pipe which has a longer life span of 2 or 3 times. The board will also need to make this decision.

Due to increased City of Chandler water costs (possibly an increase as high as 24%), the planting of winter grass does not appear to be prudent. If the water costs do increase 24%, the added expense will consume approximately 80% of the planned 5% homeowner assessment increase. Adrian stated that not planting winter grass this year would provide an opportunity for better weed control.

The board discussed the winter flowers and agreed that the winter flowers last year looked good and hoped that they can be repeated this year.

Copper Canyon no longer has the pictures of the landscaping along Price Road. John agreed to check with SRP for availability of pictures at the intersection of Seville and Price.

Paula received landscape proposals from Cleancut Lawns and Asset Landscaping. The pricing is competitive with Copper Canyon. The board agreed to continue with Copper Canyon based on their recent efforts to correct the deficiencies. Paula has put Copper Canyon on notice that their contract can be canceled with 30 days notice if their performance slips again.

FINANCIALS

The summary financial report was provided and reviewed by the Board. Overall the financials continue to look good. Water use was over budget for the month. The expenses for overall repairs and maintenance continue to be under budget. Many homeowner assessment payments are late as of August 31, 2007.

NEW BUSINESS

One of the homeowners called Paula about the Valencia Yard Sale. The board decided that the yard sale would be scheduled for October 20, 2007. Paula will have the notice mailed to all Valencia homeowners. The yard sale signs will need to be located.

OLD BUSINESS

Budget

Paula included a draft Valencia 2008 Budget in the meeting packet. The Valencia 2007 Budget was also included for reference. The draft 2008 Valencia Budget includes a 5% increase, the planned increase in the homeowner assessment. The City of Chandler has raised the water rates by 9% effective October 1, 2007. A 9% increase is reflected in the 2008 Budget. Due to the Valencia water meter size and water use, our community could receive as much as a 24% increase in water costs. Paula plans to pursue this with the City of Chandler. The City of Chandler has also recommended that we do not plant winter grass this year due to the drought. A suggestion was made to consider the use of reclaim water for irrigation of the Valencia common areas. John will pursue this suggestion. Paula requested the board to review the draft Valencia 2008 Budget and provide feedback before it is submitted for approval by the board.

The board discussed sending a letter to all homeowners to explain the impacts of the increased cost of water. This increase and the request by the City of Chandler will probably result in not planting winter grass this year. There are also many items that need attention to improve the overall appearance of Valencia. With the current draft 2008 Valencia Budget, there will not be sufficient funds available to do many of the proposed improvements. The board is considering the option to ask for an additional increase in homeowner assessments beyond the proposed 5%. This will require submittal to the Valencia homeowners and will be discussed in more detail at a future board meeting.

Lighting

The rock lighting at the monument and the park was removed and new lighting was installed inside of the Marbella monument planter. Decca was requested to determine why the Champagne monument lights are not working. The lights do not appear to be broken. As of this meeting, they are still not working. Also the park lights are not working. Paula will follow up.

Annual Meeting

The annual meeting notices and requests for nominations have been mailed. The church has been reserved for November 27, 2007. The paint information letter will be mailed with the second meeting notice, which includes the mail-in ballot.

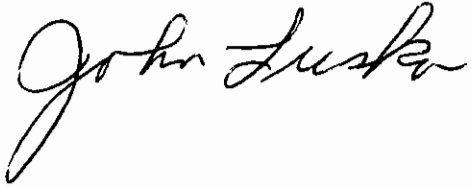
NEXT MEETING

Tuesday, October 16, 2007

ADJOURNMENT

Meeting adjourned at 7:53 PM

Submitted by John Lusko - Secretary

A handwritten signature in black ink that reads "John Lusko". The signature is written in a cursive style with a large, looping initial "J" and a long, sweeping underline.