

**Q Mountain Vista HOA/Water Company  
Board of Directors Meeting / Oct. 20, 2016 3:00 PM  
Senior Center, 40 Moon Mountain Road, Quartzsite, AZ**

**Call to Order and Verification of Quorum Present:**

Mike Glover, President  
Margaret Cookston, Secretary  
Cathy Siler, Treasurer

**Minutes of Sept. 1, 2016 Open Board of Directors Meeting were approved.**

**Treasurer Report**

**Account Balances as of Oct. 20, 2016:**

**Water Company**

<b>Operating Funds =</b>	<b>\$12,619.68</b>
<b>Savings =</b>	<b>\$ 9,740.33</b>
<b>Total =</b>	<b>\$22,360.01</b>

**HOA –**

<b>Operating Funds =</b>	<b>\$16,947.51</b>
<b>Money Market Account -</b>	<b>\$10,600.77</b>
<b>HCB Road -</b>	<b>\$51,011.75</b>
<b>Total Checking/Savings -</b>	<b>\$78,560.03</b>

**Combined Cash-- \$100,920.04**

**REMINDER - Road Improvement Fund** discussion is tabled until the water pipeline replacement issue is resolved.

**2016 Board of Directors**

Marie Tarpley has resigned her position as Board Director. Her resignation stated that she did not want to put herself in a position to be accused of theft. President Glover recommended that those wishing to obtain more information contact Marie directly.

**2017 Board Of Directors**

Members are encouraged to run for the 2017 Board of Directors.

Members of the Board are volunteers and no salary is provided. President Glover emphasized that all Board Members serving during 2015 and 2016 have served without compensation which has been a contributor to the retention of the more than 1 years worth of HOA dues currently in the HOA account(s). In addition to minimizing the costs associated with water repairs and retain sufficient funds to continue operation of the water company, the current Board has dedicated their service to managing membership fees in a manner that benefits all Association Members.

**Property Sales**

Properties have been selling this year and several properties have sold in recent weeks. The Board wants to remind owners that physical inspection of the property is completed prior to the transfer of ownership and in an effort to ensure a smooth transfer, appropriate measures should be taken to ensure the property is in compliance with the CC&Rs when selling. There is no "grandfathering", for example, if the property has a pipe buried under the road where water is being delivered without charge; a shed on the property is less than the required 7 feet from the fence line, or a fence that is not properly maintained, or is unsightly, may cause a delay in a transfer of ownership. The owner will be held responsible to ensure the property is brought into compliance before the Board will approve the transfer. If needed, the Office Manager can be contacted for referrals for suitable contractors to assist with repairs, etc.

President Glover recognized that residents have started returning for the season and expressed his appreciation that properties are being cleared of weeds and debris.

### **Water Turn on / off**

When away from your property, even if your water account is in a credit status, please review the water bill to ensure water usage reported is commensurate with your normal use. Regular review of your bill will help identify if a problem exists either on your property or with the water meter.

To ensure water is turned on when you return for the season please provide 24 – 48 hours notice. After hours fees apply to requests for water turn on/off on weekdays after 4 p.m. and on weekends. These fees will not be waived.

Most members and water customers of Q Mountain Vista are responsibly paying their HOA dues and water bills timely. However, the Office Manager spends a significant amount of time each month attempting to collect past due payments from a small population of customers who repeatedly do not fulfill this financial obligation. This will no longer be the practice. Sufficient notice is given in accordance with **AZCC Regulation R14-2-410 TERMINATION OF SERVICE** to allow for timely payment.

Additionally, sufficient notice is provided to allow the discontinuation of service if the bill is not paid. In accordance with these regulations, the Water Company may, if requested, enter into a payment agreement with the customer to satisfy the debt if they are unable to pay in full. Therefore, unless arrangements are made to satisfy the debt prior to the cutoff date, water customers can expect that accounts that remain unpaid beyond the "Subject to Cutoff " date provided on the bill, will have their service discontinued and a reconnection fee of \$50 will be assessed to regain service. Full utility service (water, power and sewer) is required to reside on any lot in the subdivision.

### **Email Bills**

The Board strongly encourages the use of email as a means of receiving HOA and Water Bills. This method of billing saves postage and other administrative costs as well as facilitates the swift delivery of information. In addition to billing, members may receive other notifications such as meeting minutes, etc., via email, if requested. However, it has been identified that some members and water customers that have requested to receive their bills via email have found their message in their email "junk" folder. To avoid these messages from going into the "junk" folder, those requesting to receive information via email should add qmntn@tds.net to their contact list.

### **Update on Water System Infrastructure Replacement**

A recap of the events leading to the determination to replace the water system infrastructure was given:

During the summer/fall of 2014 Mike Glover chaired a committee to explore the options needed to reduce or eliminate the water loss. The committee received a copy of a Water System Evaluation Report to the Arizona Department of Environmental Quality that was conducted by the NCS engineers in Phoenix, AZ. The report was dated April 2014 and revealed that in 2011 National Meter & Automation Inc. conducted leak detection and was unable to find the exact location of leaks. The analysis reports that there is approximately 17,000 feet of pipe buried in sand and gravel and that leaks percolate downward and are difficult to find. The report does not address the accuracy of the 245 meters on the system and does not address the potential of water theft.

The report recommended that Q Mountain Vista Water:

1. Stop looking for leaks.
2. Develop a stage 2 Disinfectant and Bi-product (DBP) sampling plan.
3. Develop a written bacti plan; emergency operation plan; and vulnerability plan.
4. Construct a security fence around the perimeter of the piping and valves coming into the property.
5. Replace or retrofit current piping for the system.

The committee contacted American Leak Detection and Encompass Inspections in addition to a global company based in San Diego, CA who could use camera's at a cost of \$100,000 per mile. This type of exploration is very difficult to use in pipes less than 6" in diameter. Based on this and the System Evaluation Report, the determination was made to discontinue the search for leaks.

Since hooking up to the Town water, approximately 20% of the meters have been replaced, more than 2 dozen leaks have been repaired and the water loss remained steady at an average of 230,000 gallons monthly.

The main water meter was tested and validated the accuracy of the water received from the Town.

The committee recommended to upgrade the water system infrastructure and pursued funding. A Grant was awarded for the Engineering and that phase of the project is complete and nearing finalization.

During June, President Glover received a telephone call from a representative for Mayor Ed Foster requiring him to return to Arizona and attend an emergency meeting regarding the water company. Mr. Glover attended the meeting and was pressured by Mr. Foster to "give" the water company to the Town of Quartzsite so he could place a well at our abandoned well site on Spring Street. Mr. Foster expressed his desire to coordinate with the State to trade the Town's interest in the Colorado River Project (CAP) for the State to drill the well. Mr. Glover refused to entertain the idea of giving the Town the water company and was told to attend another meeting with State Representatives the following Monday. Accompanied by Ms. Cookston, Mr. Glover attended the meeting. When discussing the actions being taken to eliminate the water loss with State Representative from the Arizona Department of Environmental Quality, it was confirmed that the actions being taken are what is needed to correct our water loss problems.

#### Next steps

- Apply to AZCC for debt authorization - The ballot recently sent to the voting electorate was to vote on the use of the infrastructure that is to be installed and the commons areas where the infrastructure is to be installed as security for the loan proceeds requested to complete the project. The commons area where the infrastructure will be installed is the streets and the well lot on Spring Street. The voting results is 71% in favor, 29% opposed. Therefore, a debt authorization application will be forwarded to the Arizona Corporation Commission for processing. All water customers will receive a notification of this filing.
- Apply to WIFA for loan proceeds - The Engineering Plan allows for the replacement of the water system, the installation of fire hydrants, a storage tank and a well, however, it is not yet known what will be approved by WIFA. Therefore, the total cost of the project is not certain.

The financial reports for the water company currently show a loss of approximately \$20,000. This loss is attributable to approximate \$8,000 payment to the Engineering Firm and approximate \$12,000 paid to the Town of Quartzsite for water loss that was not billed to our water customers. Nearly half of the water billed from the Town of Quartzsite is lost.

President Glover reminded all Members that they have a right to review the Association Financial information and anyone wishing to do so should contact the Board.

In June we experienced a water leak at the corner of Hacienda and Connor and because equipment was at the site, very little water was lost. However, the water loss reported for that month equated to 50% of the water billed.

The Arizona Corporation Commission requires the reporting of actions being taken to reduce or eliminate any water loss amounting to more than 10 percent.

The financing offered through WIFA is the best deal that can be obtained for financing a project of this size. Federal and State standards will be applied for the construction and installation of the infrastructure.

### **Office Manager Responsibilities**

Our Office Manager, Kolleen Zuelsdorf, is responsible for the day to day operations of the office. She is dependable, task oriented and takes her job seriously. Please treat her with respect and dignity. She does not make policy decisions and is not always knowledgeable about decisions made by the Board. Therefore, any member wishing to make a complaint regarding Board actions or decisions should address their concerns to the Board.

### **OPEN FORUM DISCUSSION**

JoAnne Robinson thanked Mike for all of his efforts to research done and actions taken to improve the water system.

Clifford Price expressed his concern about the water loss and stated it should show up somewhere. He questioned the depth of the water main and distance between isolation valves.

A discussion ensued and information was shared about the history of the water system and past actions taken to find the leaks. Our water contract allows for Town officials to assist with leak detection, meter testing, etc., but there has never been an offer to help. Additionally, the developers have equipment parked at the north end of the subdivision, and although they have observed multiple leak repairs, and know about the ongoing loss of water, assistance to use their equipment to dig for and/or repair any leaks has not been offered.

Gilbert Anderson asked if the developers could be held liable for the dilapidation of the system.

Liability for the current condition of the system is not known, however, there is no "grandfathering" for the delivery of water and if during construction and installation of the new water system, it is discovered that pipes exist to deliver water to users who are not paying, registered customers, there may be repercussions.

Mary Staberg asked when resumes for positions to the Board of Directors need to be submitted.

A Meet the Candidates meeting is scheduled for Nov. 14, so those wishing to apply for positions should submit their resume to the Office by Nov. 14.

**Adjournment - Meeting adjourned at 3:40 p.m.**