

**Q Mountain Vista HOA/Water Company
Board of Directors Meeting
May 11, 2017 5:00 PM
Senior Center, 40 Moon Mountain Road, Quartzsite, AZ**

Call to Order and Verification of Quorum present:

Mike Glover - President

Cletus Winkler - Vice President

Margaret Cookston - Secretary

Dave Collier - Director

****Absent - Cathy Siler - Treasurer**

Motion to Approve Minutes of March 31, 2017 Open Board of Directors Meeting 2nd by Dave Collier.

Treasurer Report

Account Balances as of May 10, 2017:

HOA -

Operating Funds =	\$26,163.05
Money Market Account =	\$11,110.34
HCB Road =	\$76,026.16
Total =	\$113,299.55

Water Company -

Operating Funds =	\$16,755.89
Savings =	\$ 7,142.37
Total =	\$23,898.26

Combined HOA/Water Funds \$137,197.81

March / April HOA Major Expenses - \$7,033.01

- Officers Indemnity Insurance Renewal \$813.50 (\$1,627 split between HOA & Water)
- HOA Liability Insurance Renewal \$2,388.51
- Workers Comp Insurance \$938
 - Based on advice from AZCC in an effort to show the "true" financial health of the water company, this expense will be split in the future
- Legal Fees \$2,243
 - fees incurred by prior 2017 BOD Officers to seek advice regarding proposed removal
- Computer Support (billing software) \$650 (\$1,300 split between HOA & Water)
 - Annual costs for technical support

March / April Water Company Major Expenses - \$3,775.59

- Officers Indemnity Insurance Renewal - \$813.50 (\$1,627 split between HOA & Water)
- Computer Support (billing software) \$650 (\$1,300 split between HOA & Water))
- Meters (30 new meters purchased) \$2,012.09
 - Current inventory is 87 new meters
- Contract Labor \$300
 - 39 meters installed during March / April

Jorge Cifuentes submitted his resignation from the BOD effective April 3, 2017. Margaret Cookston accepted to fill the vacant position. New 2017 BOD Officers:

- President - Michael Glover
- Vice President - Cletus Winkler
- Secretary - Margaret Cookston
- Treasurer - Cathy Siler
- Director - Dave Collier

Proposal to increase terms of Board Officers -

Discussion:

- President Glover stated he had received a recommendation from Association Members as well as Board Directors to increase the terms of Board Directors. Extended terms may prevent attempts to stop or interrupt progress and will allow long term projects to be completed.
- A motion was made by Dave Collier to look at the legal requirements for extending terms of Directors and establish them in accordance with legal guidance.
 - Motion 2nd by Michael Glover and sustained unanimously by Board Members present.
- Director Collier commented that 1 year terms result in constant turnover of Board Directors. This turnover gives the appearance of a disorganized Board to outside authorities, thus preventing the Board from receiving needed support.
- President Glover will make appropriate contacts to move the initiative forward.

Update on Water Pipeline Upgrade and Replacement Project

- On April 3 Mike Glover and Cletus Winkler met in with the ACC Engineer in Phoenix and discussed a modification to the project. The recommendation by ACC is to downsize the project into phases. Phase one is to install 6" lines around the perimeter of the subdivision. The intent is to capture any water that may be leaving the subdivision and contain it. This may or may not eliminate the water loss, but it is how ACC insists we proceed.
- Additionally, the initial design of the project included fire hydrants to be installed every 1,000 feet, however, the Town Code requires them to be installed every 500 feet. At the request of ACC, Mike Glover met with the Fire Chief to request a variance that would allow installation every 1,000 feet within our subdivision, since we currently do not have any hydrants. The code requirement allows for the Town to receive a safety rating that reduces property taxes and homeowner insurance rates, therefore, the request for variance was not approved. However, the Chief agreed to allow for the hydrants to be installed over a period of time provided the sites be prepared for installation and a reasonable time line be provided. Preparation of the site can be to accommodate either type of hydrant, wet or dry.
- As a result of the phased approach and the increase in number of fire hydrants, our engineering firm, NCS Engineers will modify the design and associated costs and the revisions will be shared when available.
- Once the new figures are available, Mike Glover will amend the loan proceeds to WIFA to ensure any debt forgiveness is based on revised costs.
- Water loss this year has already reached 1.423 million gallons since January 1. This is water that was purchased from the Town of Quartzsite that our water company could not bill to the water customers.
- If the water loss is not reduced or eliminated when the pipeline is replaced around the perimeter of the subdivision, phase two of the project to replace pipelines on the cross streets will be implemented. If the water loss is contained with phase one, the water company will recapture up to \$2,000 in revenue to help repay the loan.

Water Leaks and Meter replacement

- Approximately 60 meters have been replaced during the last year. Though a few calls have been received from customers questioning increased water bills, it does not appear that the replacement of meters has had a significant impact to the water loss.
- Meter replacement will continue until all meters have been replaced. The current inventory represents approximately 50 percent of the meters needed. The cost of meters has increased

however, the distributor Mike Glover has purchased from previously has an inventory of meters at the same cost. Purchase of 36 additional meters is approximately \$2,500.

- ❖ Mike Glover proposed to the Board to approve the spending of these funds to purchase the meters at the lower cost while they are available.
 - ✓ Unanimous approval by BOD
- The cost of meters will be removed from the design of the project.

QUESTION:

- Lynne Stimpson asked if the perimeter lines are replaced and the water loss is not eliminated and/or reduced, will the BOD be required to submit new applications to continue to replace the lines on the cross streets? Also, how soon is it expected to start?

RESPONSE:

- ✓ The phased approach will include the installation and timeline for the completion of fire hydrants, therefore funding will already be accounted for.
- ✓ Based on the discussion with ACC, the anticipated timeline is as follows:
 - NCS Engineers submits the revised design to ACC by June 1
 - ACC Staff submits their recommendation to the Administrative Law Judge by July 3.
 - Comments/objections to the Staff Report are submitted by Aug. 2.
 - A hearing is scheduled prior to final ruling on project scope and rate increase.
 - Once determined and agreed upon by BOD it is submitted to WIFA. WIFA meets every other month. They will review the recommendation and determine what they will fund and apply and/or determine any debt forgiveness.
 - The BOD will receive the decision by WIFA and will meet to determine what action to take, i.e., accept the loan amount and terms, etc. If agreement is reached, the loan will be closed.
 - Once the loan is closed, WIFA will submit the project for bids and select the company to do the work.
 - The contractor submits invoices to WIFA for payment of completed work.
 - **ALL funds are controlled by and disbursed by WIFA**

QUESTION:

- Janet Collier inquired whether or not is it possible to monitor the water meter to identify influx in water usage. About once every month and a half, she has observed a large water trail on the road that covers the entire length of Conner Lane. She would like to know if there is a correlation between this observation and the water loss the company experiences.

RESPONSE:

- ✓ The only way to capture the water usage is to read the meter on a weekly basis. The challenge is the water loss fluctuates so drastically that a trend can't be identified. For example, the month of January was a 31 day billing cycle where 340,060 gallons of water were not billed. The month of February was a 28 day billing cycle where 439,659 gallons were not billed. The month of March was a 32 day billing cycle where 288,926 gallons were not billed and the month of April was a 29 day billing cycle where 354,286 gallons were not billed.
- ✓ The amount of unaccounted for water indicates a very large leak that should surface somewhere.
- ✓ The town's water meter has been tested and is accurate.

QUESTION:

- Mary Higby asked if the large water break on Byrd contributed to the large water loss.

RESPONSE:

- ✓ The large water loss months did not have any water leaks. The big leak where water ran over night occurred April 2 along with 2 additional leaks within the same week, and although the billing cycle for April was a 29 day cycle, the loss was not much more than the loss incurred for January where the billing cycle was 31 days.

QUESTION:

- Al Kolsch asked if there will be "T's" placed into the 6 inch lines in preparation for the replacement of pipeline to the cross streets and will the additional fire hydrants be installed during the first phase of the replacement.

RESPONSE:

- ✓ Cross street pipelines will be prepared for installation during phase one.
- ✓ Fire hydrants included in the design for the perimeter replacement will be installed every 1,000 feet, however, if there are any on the "line" that need to be installed at 500 feet, the site will be prepared for a hydrant install.

Weed Removal

This was a very wet year and weed growth has been awful. The BOD recognized the efforts made by most residents to remove weeds from their lots and wants everyone to be aware that they should take measures to ensure their property is cleared from weeds. Homeowners may contact the office for names of businesses or contactors that can provide assistance if needed.

It is strongly suggested that homeowners that did not visit their property this season take necessary action to clear their property from weeds to avoid receiving a letter from the BOD.

**Motion to adjourn, 2nd by Dave Collier
Meeting adjourned at 5:55 p.m.**