

**Q Mountain Vista HOA/Water Company
Annual General Membership Meeting
Jan. 17, 2017 3:30 PM
Senior Center, 40 Moon Mountain Road, Quartzsite, AZ**

Call to Order and Verification of Quorum Present:

**Mike Glover – President
Val Stoker- Vice President
Margaret Cookston – Secretary
Cathy Siler - Treasurer**

Members were informed that ballots were available for anyone that did not vote via absentee ballot

Minutes from Jan. 22, 2016 Annual General Membership Meeting approved.

Treasurer Report

Account Balances as of Jan. 17, 2017:

Water Company

Operating Funds =	\$13,024.42
Savings =	\$ 7,141.49
Total =	\$20,165.91

HOA –

Operating Funds =	\$30,255.43
Money Market Account =	\$10,604.78
HCB Road =	\$53,518.24
Total =	\$94,378.45

Combined HOA/Water Funds \$114,544.36

Board members were thanked for their time and contributions to the HOA. 2016 Accomplishments include:

- **Water Pipeline Upgrade / Replacement Project:**
 - Completion of Engineering Phase of Water Pipeline Upgrade/Replacement Project
 - Surveyed and marked property lines
 - Submitted Request to AZCC for authorization to receive necessary funding to upgrade/replace dilapidated water delivery system
 - Submitted a sufficient Application for Water Rate Increase
 - Submitted Application to WIFA for Federal/State funding for project
 - Purchased approximately 30% of new meters/valves for replacement
 - **Thank you to Dan Siler, Mel Staberg, Cletus Winkler, and Dennis Siler for their assistance to save costs and make necessary water repairs.**
- **Appearance and Maintenance of Sub-Division**
 - Completed wash repair and maintenance on Spring St. and Q Mountain Parkway
 - Continued to maintain weed control and tree trimming of throughout subdivision
 - Purchased inventory of signs and sign posts for replacement when needed
 - **Thanks to Stan Carlson who donated his time, equipment and dollars for pipe exploration on south side of subdivision and his generous donation of the bench located in front of the office.**
- **Information Sharing**
- Maintenance of Web page to keep owners informed of Board business, i.e., meeting minutes, water project progress and other general information regarding the HOA.

➤ **Thanks to Dan Siler for maintaining the site**

- Office outdoor information bulletin board and Announcer Sign are continually updated in an effort to provide homeowners the most current information and/or announcements.

2016 Water loss report was shared. As shown, the water loss experienced for the last 6 months of the year increased 10% to 45% loss. It was pointed out that the water loss for the months of June and September exceeded 50% though there were no leaks repaired and no reports of inaccurate or non functioning meters.

Accomplishments come with cost

- **Water Costs**
 - 2015 realized \$7,000 increase due to refunded overpaid taxes
 - 2016 realized decrease of \$10,000 in water revenue
 - \$10,000 for Design and Technical Assistance for water project
 - \$6,000 increase for water purchased from Quartzsite
 - Paid 12 months for meter reading
 - Wash repair and maintenance
 - Accountant fees
 - Increased postage costs for AZCC required mailing
 - Upgrade to billing software

PROJECTED 2017 WATER BUDGET

- Increase meter fee
- Loan repayment
- 30% saving from water purchased
- Decrease in purchased supplies
- Decrease Accountant fees
- **HOA Costs**
 - Accountant fees
 - Legal fees associated with Rock Fiesta
 - Upgrade to billing software
- **2017 HOA BUDGET**
 - Increased HOA Dues
 - Maintenance of Wash behind Spring St. well lot
 - Maintenance of berm on Cienega
 - Decrease Accountant fees
 - Decrease legal fees

Water Co and HOA Profit & Loss Reports; Balance Sheets and 2017 budget documents are available in the office at no cost for those wishing to obtain a copy.

2017 Targets:

- **Water pipeline replacement**
- **Upgrade / Replacement of Road. The Board recommends that the 2017 BOD take an active role to explore design, costs and materials for road repairs.**

Preliminary Election Results:

Michael Glover - 151
Jorge Cifuentes - 125
Ricky Scott - 118
Nancy Winscom - 98
Cathy Siler - 47
Cletus Winkler - 42
Dave Collier - 40
Margaret Cookston - 38
Melvin Staberg - 32

Elaine Eberly - 6

In accordance with By-Laws Article III Section 4, Mr. Glover notified the members and newly elected Directors that he will contact them to schedule a meeting and that the meeting will be held within 10 days.

Amendment of By-Laws Article III Section 2

Yes - 105

No - 27

Upon verification of the results, the Association By-Laws will be amended and recorded.

Open Forum

PLEASE NOTE: The tape recorder used during the meeting malfunctioned and did not record anything. Therefore, the following may not capture all specifics of the members comments. If those who made comments feel that something was not transcribed fully, please contact the office so an amendment may be documented.

Mr. Felt -

- Expressed his appreciation for the efforts of the BOD and stated the friendliness of the residents has made it an enjoyable place to be. He has only recently become an Association Member and only spends a few months a year here.
- Experience with building HOA's has provided him the knowledge to understand the efforts of the board to replace the water infrastructure.
- Recommended to consider an option to purchase equipment, i.e., \$30,000 excavator and dig the lines and replace the system incrementally with the help of volunteers from the residents. An incremental approach and performing the work ourselves eliminates the need to fulfill government requirements for adhering to 2017 standards that may not be necessary for our privately owned system.

RESPONSE - Mr. Glover explained that the phased in approach was discussed with the engineering firm and the Water Infrastructure Finance Authority (WFIA) liaison. The option to replace the perimeter lines was considered, however, the direction of WIFA is to replace the system in its entirety for the purpose of eliminating all unaccounted for water loss completely. Additionally, as shown on the Water Company Balance Sheet, the transmission and distribution mains for the current system have depreciated to a value of \$2,200.

PLEASE NOTE: As stated in several previous Open BOD Meetings, members are reminded that the Water Company is an Arizona State Public Drinking Water Utility and must comply with all Arizona Department of Environmental Quality (ADEQ) standards for drinking water systems. This includes replacing the current 2 inch lines with recommended standard size 4 inch lines and remove all dead ended water main lines.

Mr. Felt -

- Later asked whether or not it is a requirement to have class A contractors digging in our roads if they are privately owned.

RESPONSE: It is not a requirement for a class A contractor to dig in our roads, however, the water company is a public utility and there are standards and requirements that must be met when replacing the infrastructure.

Ms. Stimpson -

- Stated she has only been a resident for 3 years and during the last 2 years has watched this Board physically performing work to improve the appearance of the park for free, at times traveling from Utah at his own expense to take care of water leaks and other issues.

Mrs. Manning -

- Expressed that many residents on SSI and will be unable to pay the increased water charges.

Mrs. Greenstreet -

- Referred to the Water Company's Profit & Loss Report and pointed out that the only revenue collected for the water usage includes the service fee of \$41,026 and water usage amount of \$18,341 and that the amount paid to the town for the water used was \$54,712.
- When she was a Board Member reporting the water loss to the AZCC more than 2 years ago, the BOD was directed to correct the water loss or the State would take necessary action to fix it.

Ms. Winscom -

- Encouraged members to listen to the information from Ms. Greenstreet as she was heavily involved in reporting to the AZCC in previous years.

Mrs. Glover -

- Thanked Ms. Winscom and Mrs. Greenstreet for reinforcing the history of the water loss and the consequences we face if it is not corrected.
- Stated that the current BOD has worked diligently to search for the best option to accomplish this task with the least financial impact to the membership.

Mr. Harris -

- Asked what the cost per water meter would be when the project is completed. He also expressed it would be a mistake to surrender any water rights.

RESPONSE: Mr. Glover explained that in accordance with the Accountant's Compilation Reports submitted with the Finance Application, the worst case scenario would result in an increase of \$35 to a total of \$53 per month. However, based on the information gathered and the data posted on the AZCC web site, our subdivision has been designated as a Disadvantaged Community, and therefore is eligible for special financing.

Mr. Seng -

- Asked about a \$7,500 special assessment to be imposed on each lot.

RESPONSE: Mr. Glover explained that at this time there is no special assessment planned or being considered and further explained that when the subdivision was hooked up to the town water supply, it is his understanding that each lot was assessed \$750 to pay for the supply pipe from Kuehn to our main water valve.

- Expressed that connectivity to the Town Water Supply benefits both the Town and the subdivision.

Mrs. Erickson -

- Asked whether or not there is a rule that limits the action(s) and/or amount spent by the Board.

RESPONSE: In accordance with CC&R Article V Section 5.27 (c) Maintenance by Association: *The Association shall from time to time, as to any Common Areas(s) conveyed or transferred to it and with respect to the improvements and facilities hereinafter described, acting through the Board, without any approval of the Owners being required (except as specifically hereinafter stated);*

(2) Maintain, repair (and/or make replacements when necessary to) the Sewage System, if any drainage system, the Water System, wells, tanks, pumps, water meters, and all other facilities used to provide services to the Property;

- Asked if surrender of the well required a vote of the Association members.

RESPONSE: Disbursements of physical assets such as deeded and titled properties owned by the Association must be voted on and approved by 2/3 of the quorum of voters by absentee ballot, or by voting at a special meeting called for that purpose. A quorum of voters is equal to 1/4 of the membership.

Mrs. Meier -

- Asked if the difference between the amount of water users and HOA lots was due to some of the lots not being hooked up to the water.

RESPONSE: Yes

Adjournment - Meeting adjourned at 5:07 p.m.

