

**LAKE MOOVALYA KEYS
Board of Directors
Regular Meeting**

November 7, 2011

CALL TO ORDER

President Jack Sweeney called the regular meeting of the Lake Moovalya Keys Board of Directors to order at 6:00 p.m.

PRESENT

President: Jack Sweeney

Vice President: Chuck Baker

Secretary/Treasurer: Laura Lancaster

Board Members: Chris Chambers, Gary Svider, William (Squeak) Kossnar, Joe Price, Blane Coon, Ryan Shubin & Christie May Ward (via teleconference)

ABSENT

OTHERS PRESENT

General Manager: Cheryl Shockley

Bookkeeper/Recording Secretary: Sue Thomson

Legal Counsel: John C. Churchill

Guests: Lauri Burke (Lot 122), Charles & Malin Manos (Lot 53), Margie Veld (Lot 119), Reggie & Joann Van Anrooy (Lot 30), Carl Bozeman (Lot 61), Bob Colby (Lot 142), Becky Anslyn (Lot 113) & Tony Gaipa (Lots 62, 118 & 120)

CALL TO PUBLIC

Referencing the Special Meeting that was called, Mrs. Manos said there was no explanation on the Notice as to why the recall of Mr. Svider was being requested, just that there was a call for a vote; that there was nothing in the September Minutes, and that the October Minutes are not yet posted. Mr. Sweeney explained that Mr. Svider is obstructing the General Manager from doing her job. Mrs. Manos asked for specifics, and Mr. Baker said there are several things, that over the years Mr. Svider typically abstains from voting, and that the Board believes Mr. Svider divulged confidential information involving a lawsuit with the former owner of Lot 10, which property Mr. Svider's son-in-law was doing work on. Also, Mr. Baker said Mr. Svider has a conflict with his position on the Buckskin Fire Department Board; also that he or his manager called the Sheriff's Office with a claim of harassment by the General Manager, when she was just doing her job.

Mr. Svider, addressing Mr. Baker's comments, said that the manager of JT's called the Sheriff's Office and dealt with the issue. Mr. Sweeney pointed out that the manager is Mr. Svider's daughter. Mr. Svider said his main complaint with the General Manager is her attitude, and her yelling and screaming profanities at guests. He said he abstained from voting on the Lot 10 matter because his son-in-law was doing work on that property, but the rest of the time he voted no. He said he only talked to Mr. Willoughby once when he submitted a demo permit and once regarding a variance. Mr. Sweeney said Mr. Svider also talked to Mr. Willoughby about the plans, and Mr. Svider said he never saw the plans.

Mr. Gaipa asked if he needs to submit plans for some stonework he wants to do around the outside of his house, and Mr. Sweeney said he did need to submit a simple plan or drawing.

SPECIAL MEETING

Mr. Sweeney called the Special Meeting to order at 6:08 p.m., for the purpose of removing Mr. Svider from the Board. Ms. Thomson passed out ballots on the Svider matter.

[Continue regular meeting while ballots being counted.]

MINUTES

Mr. Price moved to approve the October Minutes; Mr. Coon seconded the motion, and the motion carried unanimously. Mr. Kossnar moved to approve the Minutes of the Executive Session meeting; Mr. Baker seconded the motion, and the motion carried unanimously.

FINANCIAL REPORTS

Mr. Shubin moved to approve the October Bookkeeper's Report, the Prepaid Bills and Bills for Approval. Ms. Lancaster seconded the motion. Mr. Sweeney reported that he needed to sign the October 28 representation letter to Michael Bersch, CPA regarding certification and acknowledgement of financial information which we submitted to him in his preparation of the 2010 financial Review. Mr. Sweeney asked if anyone had a problem with the letter, which was previously e-mailed to the Board members.

Mr. Kossnar asked about the \$1,405 bill for legal fees for representing the people who were involved with the harassment claim and restraining order matters, asking if this amount was sanctioned against Stan Vescio. Mr. Churchill said he billed the HOA for representing its directors, who were targeted by Mr. Vescio; he has to bill the client he represents, but he did request the court to award the Association its attorney's fees, and we got a court order against Mr. Vescio for the legal fees. The Association pays the legal fees and collects reimbursement from Mr. Vescio. Mr. Churchill clarified that there were two cases; one of them against our manager.

Mr. Price asked about the extra \$100 paid to the gardener. Mr. Kossnar said the clean-up was due to one of Allied Waste's trucks that broke down. Ms. Shockley said that Allied Waste is supposed to reimburse us and that some of the clean up was Otis's material for which we also hope to be reimbursed.

Mr. Baker asked if Farmer (former owner of Lot 118) requested return of the balance of their security deposit, and Ms. Thomson confirmed that Mr. Farmer did make the request. *There being no further discussion, the motion to approve the October Bookkeeper's Report, the Prepaid Bills and Bills for Approval carried unanimously.*

PREPAID BILLS

Date	Num	Name	Memo	Amount
10/07/2011	6331	Allied Waste Services	3-0527-0040037	2,658.59
10/07/2011	6332	Davis Building Supply	No Parking sign	15.10
		"	Batteries	11.49
10/07/2011	6333	Frontier	667-2840	58.92
		"	667-4484	58.07
10/07/2011	6334	Law Office of John C. Churchill	Breazeale (8/31)	203.79
10/07/2011	6335	Law Office of John C. Churchill	HOA (9/30)	180.00
		"	Grybowski (9/30)	22.50
		"	Breazeale (9/30)	67.50
10/14/2011	6336	Cheryl Shockley	Advance	925.00
		"	Fuel Advance	100.00
10/14/2011	6337	AT&T	928-667-4484	29.21
10/16/2011	6338	APS	732930287 & 589381281	1,688.08
10/16/2011	6339	Brooke Utilities, Inc.	53017-11860	346.96

10/16/2011	6341	La Paz County Treasurer	311-41-249C (in full)	1,072.24
10/16/2011	6341	La Paz County Treasurer	311-41-003B (in full)	4.44
10/16/2011	6340	SCF Arizona	3rd quarter liability	2.55
10/27/2011	6342	Global Gate Controls, Inc.	20 Stanley remotes	282.00
10/31/2011	6343	Cheryl Shockley	Balance October	925.00
		"	Balance Fuel	100.00
		"	Internet	24.95
10/31/2011	6344	Otis Hall	October + trash truck leak clean up	750.00
10/31/2011	6345	Sue Thomson	October	1,150.00
		"	Sept. Pitney Bowes Rental	30.94
		"	Postage	6.16
		"	Postage Meter Refill	200.00
				10,913.49

BILLS FOR APPROVAL

Law Office of John C. Churchill (9/30 invoices)	
HOA	180.00
Grybowski	90.00
Vescio	1,405.00
A & E Services (Michael Bersch, CPA PLLC 10/25 invoice)	3,150.00
2010 Review	

Mr. Price moved to approve the October Balance Sheet. Mr. Baker seconded the motion. There being no discussion, the motion carried unanimously.

Mr. Price moved to approve the October Profit & Loss Statement. Mr. Baker seconded the motion. There being no discussion, the motion carried unanimously.

Mr. Sweeney asked if everyone read the Michael Bersch Review representation letter. Mr. Baker said he read the findings and has no problem with them. *Mr. Baker moved to approve the findings of the auditor described in the October 28, 2011 letter to Michael Bersch, CPA for the 2010 financial Review. Mr. Kossnar seconded the motion. There was no further discussion, and the motion carried unanimously.* Mr. Baker suggested that we post the Review report on the website, so that the members know that everything is accounted for and that everything's on the up and up. Mr. Sweeney explained to the guests that our books are reviewed by a CPA in Lake Havasu City every two years to make sure there is nothing out of compliance with what we were doing and that the numbers actually match what we say they are.

VOTE ON SVIDER RECALL

Ms. Thomson reported there are 11 NO votes and 86 YES votes to recall Mr. Svider. Mr. Sweeney declared Mr. Svider no longer a Board member of Moovalya Keys.

The Special Meeting concluded, and guests said they wanted to stay for the remainder of the Regular Meeting.

COLLECTIONS REPORT

Mr. Kossnar moved to approve the Collections Report. Ms. Thomson updated the Collections Report by stating that Lot 4 is in escrow on a short sale, and we will collect delinquent dues if it goes through in December. Mr. Coon seconded the motion. Mr. Sweeney asked Mr. Churchill if he got the information on the Arnold fine, since we made a motion last month to send them to collection. Ms. Thomson said she hadn't sent it yet, since another letter came in from Arnold after the last meeting and she understood that Mr. Sweeney would meet with them in mid-October. Mr. Sweeney said he offered to meet with them two

letters ago, and Ms. Thomson said they sent another letter. Mr. Sweeney said they sent a letter saying he refused to meet with them, but in both of Mr. Sweeney's letters he offered to meet with them, and he doesn't see any reason not to go forward. Ms. Shockley reported that they cleaned their lot recently, but they didn't call to talk to anyone.

GRYBOWSKI – Mr. Churchill said he will move to set the case for trial, and a trial date will be set as soon as Justice Court can get to it. *There being no further discussion, the motion to approve the Collections Report carried unanimously.*

GENERAL MANAGER REPORT

Mr. Kossnar moved to approve the General Manager's report. Mr. Price seconded the motion. Ms. Shockley reported that she and the Hights have been catching raccoons. Mr. Sweeney said he can fix the traps; that they just need an adjustment. Mr. Baker commented on how nice the new signs look. There being no further discussion, the motion carried unanimously.

OLD BUSINESS

911 Addresses – Ms. Shockley reported there are 55 plates to be distributed along with a letter that Ms. Thomson originally prepared, which Ms. Shockley has modified a bit. Ms. Shockley said she is not going to put the plates up for people; we tried that before, with not much response, and she feels it should be the responsibility of the homeowner to install their plates on their patios. She said she will leave the plates on the homeowners' patio doors, with the letter and her phone number if they have any questions. Ms. Shockley said she will do this over Thanksgiving. She said some people said they don't have a plate, and Ms. Thomson said that we didn't make plates for all the lots, as some people didn't want them.

Guard Shack Door – Ms. Shockley said she hasn't done anything on this project yet, that she is still in the process of researching the window door, and she is not familiar with pre-hung doors, but she will talk to the door shop people in Havasu.

Mr. Sweeney presented plans for approval of a dock to be constructed at vacant Lot 175. Mr. Sweeney met with the builder and went over the 6' dock plan, which will run the length of the lot and bring in his seawall back one foot beyond the high-water mark. The dock will be flush with the docks on both sides of his property. Vic Dimaio is the builder who has done some other docks. *Mr. Price moved to approve the Lot 175 dock plan as submitted. Mr. Kossnar seconded the motion, and the motion carried unanimously.*

NEW BUSINESS

Citation Protest by Gary Svider for JT's on the Keys' citations for double tying of boats – Mr. Kossnar said that due to the situation, all Board members need to vote on this because of the high-profile matter with Mr. Svider. Mr. Kossnar said he went by there Saturday, and Sunday, and he knows the boats were there. JT's was informed on Saturday of the situation, and Sunday there were more boats double tied, and in his opinion there should have been more citations. Mr. Kossnar said he stands by the tickets, because Mr. Svider was well aware of the situation. Mr. Churchill said that maybe Mr. Svider can speak of this, but Mr. Churchill distinctly recalls at a recent hearing that Mr. Svider wasn't suggesting the boats weren't double parked; he objected to the rule itself, but Mr. Churchill said he doesn't know what his objection is. Ms. Thomson said she distributed the written protest to Ms. Shockley, Mr. Sweeney and Mr. Baker, but she neglected to send it to Mr. Kossnar.

Mr. Baker reviewed the Minutes from the 3/29/08 Board of Directors and Annual Meeting, and there was a ballot with three voting items on it: (1) a 10-person occupancy limit for short-term rentals, (2) the mandatory submission of completed Tenant Information Sheets, and (3) double parking boats in the canals. Two of the three propositions passed, including the prohibition of double parking of boats; the 10-person limit for short-term rentals did not pass. Mr. Baker also addressed Mr. Svider's concern about a quorum and said this was the general members' meeting where it was passed, and at that time we had seven board members, and five were present. It passed in the proper manner, and it's been a rule since 2008.

Mr. Bozeman asked who owns that water; that you have to get authority to pass a rule on that water. If there's enough room for a boat to get by, does the Board have the authority to pass a rule that says you can't double park in that water? Mr. Churchill replied that the people own the water, but they do not own the land underlying the water. The docks attached to the land are privately owned. So there's no simple answer. Mr. Bozeman said you can't put steps in the water anymore, so you can't go to a meeting and say we're going to pass a rule that says you can put steps in your water now, because you don't have authority to do it. Mr. Churchill said the issue is whether or not the use of the water in some way interferes with the federal regulations and that can attach to your dock. The Board has power to control dock construction, it's joint, and it's not one or the other that has complete control. Mr. Bozeman said he can understand if it's a hazard, but some of parts of the canals are wide enough for three boats. Mr. Churchill said that may be true but there are places where it's barely wide enough for one boat to park. But, Mr. Churchill said, the members passed the rule, not just the Board.

Mr. Sweeney said that Mr. Svider should present his protest. Ms. Thomson gave Mr. Churchill a copy of the protest. Ms. Shockley said what happened is that on that first morning two boats were double tied, and she called to tell Mr. Svider there were double parked boats at the motel, and she said if he would have just had them move the boats, there wouldn't have been a problem. The problem was addressed in the morning, and she said she told Mr. Svider that his hotel guests are double parked. She said she did talk to the guests, not from JT's property, but from a neighboring property, and she told them they can't double tie boats, or trespass on other people's docks, because they were on other's docks, and she said they kind of looked at her strange like they didn't know what she was talking about. So she went home and called Mr. Svider, asking him to tell his customers not to double tie their boats. Then, not only did they not untie the boats, they let more boats double tie later that day, all night long, then there were four boats double tied, and instead of telling the guests about the rules they chose to ignore the rules and called the Sheriff's Office on her. They let them do it and let them park on peoples' docks. Ms. Shockley said she talked to the owners on both sides of JT's, and they were aware of the problems with trespassing. They had so many people at the motel they didn't have enough dock space, so they were double tied. One of the boats was floating in the canal, as shown in the photo, just freely tied, not double tied, off of another lot, and Ms. Shockley said she got a complaint from a homeowner saying it's really dangerous down there on the corner, and could she see about the boat floating there. Ms. Shockley said if it had been addressed Saturday morning, with no more double ties, there would never have been a citation, but the Sheriff was called, and then they let their guests double tie, and even more boats double tie.

Mr. Svider said, first of all, it didn't go down like the General Manager said. He said he never talked to her about it, there was a message on his answering machine, and how he got involved in it was because of the yelling, screaming and profanities at those guests. There were boats double tied, but the people were loading up to go out for the day. Three were tied to his dock the night before, then there were friends of theirs who came, and as to who was tied next door, he said he didn't know who they were. Mr. Svider said his guests are all aware that they have limited dock space on a first-come-first-serve basis, and there are signs posted on gates downstairs, upstairs, park at your own risk. Mr. Svider said he doesn't have any control over those people, and he's not going to sit there and babysit them 24 hours a day.

In response to that, Mr. Sweeney said that when he has people come to his house where he has limited parking, he makes sure every one of his guests is parked behind the white line, because he knows it's his responsibility and it's his ticket, so every time he has a guest, he makes sure they park legally and are not blocking the street. For Mr. Svider to say that it's not his responsibility, it is his motel, and it is his responsibility to make sure his guests comply with the rules, and Mr. Sweeney said he doesn't see it any other way.

Mr. Churchill said that Mr. Baker is correct, that we had a quorum at the 2008 meeting, with five of seven Board members. He also read a statement that the Army Corp. of Engineers has control over docks that extend over waterways, which he said is partially correct, but the docks are also installed on private property, so the private property owners also have a say so, which is why you can't tie up to somebody else's dock.

Ms. Ward said they have problems with people parking on their dock, and she wondered if when Ms. Shockley has that situation that the Sheriff should deal with rather than Ms. Shockley having those

confrontations with people. Ms. Shockley said all she did was, and she didn't yell at anybody and didn't use any profanity, she just said there was a rule, and she called Mr. Svider and left him a message asking him to have them comply because there's a rule that's being broken. That happened only because a homeowner said there was a boat in the waterway, and that's what she went to check on. Also, Ms. Shockley said she called the other homeowners on both sides of JT's, and the owner of the house next to JT's has surveillance cameras, and he told Ms. Shockley that he saw all those boats, and that he talked to Mr. Svider's daughter, and that she assured him that their guests would not be parking there any longer; that they had the situation under control. Ms. Shockley said there were no signs, that the only signs that are on that man's property are his own signs. She said there are now signs on JT's side, because she asked that homeowner if he posted those signs after that weekend, and he said no. She asked him if that was his gate, and he said yes; and there are now no-trespassing signs on the gate. Ms. Shockley said that homeowner told her he doesn't have a problem with JT's and that he has a good working relationship with Jodi (Mr. Svider's daughter) and with Mr. Svider, and if he sees a problem in his camera, he calls them. Ms. Shockley concluded by saying that this shouldn't have been a big blown out issue; that Mr. Svider should have just asked his guests to untie their boats.

Mr. Price made a motion that the citations issued to Lot 233 on 9/17/11 and 9/18/11 stand. Mr. Kossnar seconded the motion. The motion passed by a vote of 7-2, with affirmative votes by Price, Coon, Baker, Lancaster, Shubin, Kossnar and Sweeney. No votes were made by Chambers and Ward.

Mr. Kossnar read a letter from John Mitchell, a Miraleste homeowner, asking if we've had any complaints about the loud music coming from across the river at Emerald Cove. The letter states that people at Miraleste have a problem with the loud karaoke, and they can't even sit on their patios. Mr. Mitchell on behalf of the Miraleste homeowners asked our Board if we can get Emerald Code to lower the volume by requesting John Drum, La Paz County Board of Supervisors, to approach the matter with the Emerald Cove people. After discussion, the Board decided to take no action, but suggested people can call the San Bernardino Sheriff's Office to complain.

Mr. Bozeman asked when there's a white line violation, are there instances where someone other than the homeowner gets the citation, such as the owner of the vehicle. Mr. Sweeney said he didn't think so. Mr. Bozeman said that Stan Vescio got a citation when he was parked at another lot, and he wasn't the homeowner. Ms. Shockley replied in that instance she knew that was Mr. Vescio's truck, and it was at Mr. Gaipa's lot. Mr. Bozeman said, so there are exceptions? Mr. Sweeney said that Mr. Vescio lives in the Keys. Ms. Shockley said that if one of Mr. Bozeman's guests parked at Mr. Vescio's house, and she knew it was Mr. Bozeman's guest, she wouldn't give Mr. Vescio the citation, because she knew it was Mr. Bozeman's guest. Mr. Bozeman asked what if you don't know who the guest belongs to. Ms. Shockley said that's where the protest function comes in, and Mr. Kossnar said that is why we have windshield stickers.

The meeting adjourned to Executive Session at 6:54 p.m.

The regular meeting resumed at 7:03 p.m. and adjourned at 7:03 p.m.

ADJOURNMENT

Submitted by Recording Secretary, Sue Thomson

APPROVED BY BOARD OF DIRECTORS 12/5/11