

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

June 6, 2011

CALL TO ORDER

President Jack Sweeney called the regular meeting of the Lake Moovalya Keys Board of Directors to order at 6:05pm.

PRESENT

President: Jack Sweeney

Vice President: Chuck Baker

Secretary/Treasurer: Laura Lancaster (By Phone)

Board Members: Blane Coon, Ryan Shubin, Joe Price, Gary Svider, Christie Ward, Chris Chambers and William "Squeak" Kossnar

ABSENT

Board Members: Rob Troxler

OTHERS PRESENT

Guests: Carla Faulkner (David Plunkett Realty) & Charlie Ward

General Manager: Cheryl Shockley

Legal Counsel: John C. Churchill

INTRODUCTIONS

CALL TO THE PUBLIC

MINUTES

Chuck Baker *moved to approve the Minutes of the Regular Meeting of May 2011.* Discussion: Christie Ward said the word Sheriff was spelled wrong on pages 2 and 3 and in the General Manager's report the second paragraph sentence was not completed; it needed a (to) between going and take. Ms. Shockley said she would make the corrections. Mr. Price said that his discussion of Security in the New Business section was incorrect; he asked if the Association paid the off duty Sheriff's or did the County, because that might make a difference on the insurance liability with carrying a gun. Mr. Sweeney said he thought that the Association paid the County for the Sheriff's services, but Mr. Price said that was not correct the Association pays each deputy separately; it was in Sue's reports. Mr. Sweeney stated that the Association needed to get a clarification on the insurance issue, because law enforcement officers are required to carry their gun and Mr. Price stated that was what he was getting at; the Association's insurance would not cover Security personnel if they are carrying a gun. Mr. Price said he had called the Association's insurer today and insurer said it was still in the policy that Security hired by the Association could not carry a gun. Mr. Sweeney said the matter needed to be looked in a little further and if the Association did hire deputies the Association would have to pay the County direct for their services. Mr. Price responded how are we going to do that? Mr. Sweeney stated that he did not know. *The motion was seconded and carried unanimously.*

FINANCIAL REPORTS

Joe Price made a motion to approve the May 2011 Bookkeeper's Report, Prepaid Bills and Bills for Approval for May 2011. Discussion: Mr. Sweeney said that there was a break down for Churchill's bill and did Mr. Price see that, Mr. Price responded that he had and that he had a few questions for Sue. Mr. Baker asked about Memorial Day weekend and he stated that he did not see anybody at the gate, the times he was in and out, he wanted to know why that was, and did Association not have someone posted at the gate during the day anymore? Ms. Shockley responded that on Fridays, she was at the gate and on Association property most the day and night but on Saturday and Sunday she only worked at night because that's when most of the problems occur. She also stated that she was in and out of the Association property all day during the weekend checking on things. Mr. Baker asked Ms. Shockley if she had put in 10 hours a day because she had been paid for 30 hours. Ms. Shockley stated that she had put in at least 15 hours on Friday. Mr. Baker asked if she had been at the gate and she responded that she had spent some time in the guard shack during the days but most of her time was concentrated at night. Mr. Baker said the Association's policy in the past was to have a day time person in the guard shack, he suggested that should happen for the 4th of July holiday. He said that the Association got off lucky Memorial Day because there were no major problems except people waiting in line to get through the gate. Mr. Sweeney said they could revisit the day time guard issue for July but that he did not know what good it did having a guard during

the day because there did not seem to be many problems during the day. Mr. Baker said that if the gate issue was addressed that would take care of some of the problems. Mr. Sweeney responded that most of the problems were people that kept pushing the buttons and timing out the gate's system so no one could access the gate. He stated that the panel was probably going to have to go back to Pach, because he had already spent 2 to 3 hours making sure all the codes were in the system and that all 191 of them worked when he was finished programming. He said that some of the codes are not working again, so the system is going to have to come out and go back to Pach to see what the problem is. Mr. Sweeney said that he would look at the access panel again then make the decision whether to send it back or not. *The motion was seconded and carried unanimously.*

Joe Price made a motion to approve the May 2011 Balance Sheet. The motion was seconded and carried unanimously.

Joe Price made a motion to approve the May 2011 Profit and Loss Statement. The motion was seconded and carried unanimously.

BOOKKEEPER REPORT

6/4/11

Sorry for the late submission, I was on vacation and am just catching up.

Construction deposits were returned on Lots 100 & 131. A request to process a construction deposit on Lot 180 was received on 5/31 and will show on the June books. Lot clean up fees were paid by Lot 39; expenses billed to Lots 25 & 228 are not yet paid.

Jack spoke with me at length about the Arnold (Lot 209) account history, prior to his sending a reply letter to them stating the \$150 fine amount stands. I have not received anything further from the Arnolds. Jack and I also talked about the late fees, and I will not be reversing the two that were previously written off; they already paid \$65 in late fees on this reduced debt of \$150.

I made footnotes on the Collections Report explaining the sequence of letters that go out to delinquent owners. I will also start submitting a copy of collection letters to further clarify the process. The \$448.00 delinquent balance on the 'Holthe - Lot 237' account was written off per your request (see *Bad Debts* expense on the P&L). Thus, there will be no further reference on the books to 'Holthe' (now Chuck Baker's property).

On Prepaid Bills for Approval, you will now see e-mail attachments with pdf invoices so you can review invoice details prior to Board meetings.

If anyone has any questions about my reports, this month or in the future, please feel free to call or e-mail me prior to your meetings.

Citations issued: NONE.

Mr. Sweeney asked Mr. Churchill if the Association had a court date with Grybowski's. Mr. Churchill replied he had filed suit and they were in the process of exchanging disclosure statements.

GENERAL MANAGER'S REPORT

Ryan Shubin made a motion to approve the May 2011 General Manager's Report. Discussion: Chris Chambers asked if Ms. Shockley had been called by the Ritchie's about his daughter's guests parking on their property. Ms. Shockley replied that she had received complaints and that the Deputy on duty and Brandon at the gate had also received complaints about the parking situation at the end of Yaqui the entire weekend. Mr. Chambers informed Ms. Shockley that they have permission to park on the Ritchie's property. Mr. Chambers said that Ritchie's guest had asked someone who had come out of a gate whose vehicles were parked on the property and Mr. Chambers said that Ritchie's guests told this person he was going to have the vehicles towed and the guy said no wait and ran back inside. Ms. Shockley informed Mr. Chambers that she had problems the entire weekend with Brooke's guests parking. Ms. Shockley stated that on Sunday she had to go down on Laura Lancaster's dock and asked whose car was parked over the white line and it was Bob Gory's granddaughter. Ms. Shockley stated that she tries to find people who are parked over the white and have them move their vehicles. Mr. Baker asked if these individuals moved their vehicles and she stated yes. Mr. Chambers then asked if these people were parked a lot of over the white line or just a little, not that it matter. Ms. Shockley responded a lot.

Mr. Price said that he had a couple complaints from Homeowner's about loud parties and they were told by the Deputy on duty that they had to go to the gate and report it. Ms. Shockley said that she had received a call from Brandon at the gate

and that the Deputy on duty had asked if he was required to go to a house if he got noise complaints and Ms. Shockley told Brandon to let the Deputy know that if any homeowner gave him a complaint he was to address it, that's what the Association was paying him for. Mr. Sweeney stated the Deputy on duty went to Jimmy Smith's house and advised them that he had complaints about the noise. Mr. Chambers said that he got complaints about Deputy Haines and how he treated people when he was on duty on Sunday evening. Ms. Shockley stated that she had spoken with Haines about a golf cart without lights and Deputy Haines had advised the individual they were not to move or drive the vehicle that night without lights. Needless to say the cart stayed parked all night, Ms. Shockley reported. Mr. Price said that was all he wanted to know that the Deputies were there to enforce our rules and that they were doing so.

Mr. Kossnar asked if Mel Duncan, Lot 146 had submitted his building plans to the Association. Ms. Shockley stated that he had not. She called La Paz County Community Development that day and Mr. Duncan had not filed for a building permit from the county. Mr. Sweeney stated that it would be talked about in new business.

Stan Vescio of lot 82 said that on the General Managers report it was reported that he had dumped some construction material in the trash and he was at the meeting to say that he did not. Mr. Sweeney stated that he had gone over to the trash and had helped Stan breakdown some couch sized boxes and that seemed to relieve about 2/3's of what was in the trash bin. Ms. Shockley asked Mr. Vescio why he was even at the meeting discussing this matter when she had already discussed the matter with him and Kevin Derby. Mr. Vescio said he had a right to be at the meeting. Mr. Sweeney stated that he too thought the issue had been resolved. Mr. Vescio said the report stated that Kevin Derby did not put any materials in the dumpsters. Mr. Vescio and Ms. Shockley verbally argued over the point and Mr. Sweeney stated that Ms. Shockley's report clearly stated that Kevin Derby had dumped metal panels from Laura Lancaster's job site in the roll off for Otis to pick up later. He said that the only material of Stan's in the roll off was the drywall. Ms. Shockley then asked what the Board wanted her to do. Did they not want her to report on anything she sees, because she said she could just drive through the Keys and not report on anything? Mr. Baker said no, this is what she was supposed to do. Ms. Shockley said she was verbally accosted by Stan about speaking to his dry waller about parking behind the white line over the holiday weekend because it was going to get busy, she told him where he could park and he was very accommodating and moved his vehicle. Mr. Vescio said they were talking about the trash dumping issue and not parking, he said there is a point of disrespect where unloading your entire job and just dumping your trash can into the bins. Mr. Vescio said if there is a problem with him dumping his trash can then he needed to be notified and to fine him. He said Ms. Shockley came on his jobsite and advised him that there was a security deposit on the Spires job and she could take the money out of that deposit for dumping the construction materials. Mr. Vescio said because of him dumping three of his trash cans in a dumpster that is not involved with the Keys, he said he could understand if it was behind the gates. Mr. Sweeney said the dumpster was involved because it was placed there and paid for by the Keys. Mr. Sweeney said he did not know why they were arguing this issue when it had already been resolved. Ms. Shockley said she also thought the issue had been resolved and that Mr. Vescio was being ridiculous. Mr. Vescio said there are allegations of other homeowners putting materials in the dumpster and Mr. Sweeney said other homeowners did put stuff in the dumpster, that's why it was there.

Mr. Chambers asked what day the dumpster was placed, Thursday? Yes. He reported that he saw the Association's landscaper off-loading a truck full of trash into the dumpster on that day, he said he went to Circle K and when he came back Otis was backed up to the roll off, like he was going to off load all the trash he had in his truck, so Mr. Chambers told him, you are not going to dump all that in our dumpster and Otis said he was only going to dump a TV, Mr. Chambers then advised him that the dumpster was not for Lakeside trash. Mr. Chambers said that the Landscaper was nice about it but he did not know if he ever came back and dumped the trash. Ms. Shockley said that Otis did advise her that homeowners have stopped him and asked him what he is doing, but what homeowners don't know is that Otis will take large items out of the trash bins and put them in the roll off on a holiday weekend. He keeps the trash in the roll off to the back so that more trash can be loaded in, something that she has had to do in the past and something that none of the other groundskeepers have ever done. Ms. Shockley said Otis sometimes takes large items such as pallets to his house to breakdown and then brings them back to dump. Mr. Vescio said we should check out our surveillance videos to see what he is bringing in. Ms. Shockley asked the Board if they wanted the Association to run smoothly or did they want a pig sty.

Mr. Vescio said he had another discussion about where he parks his truck. Mr. Sweeney said that was not on the agenda or on the General Manager's report so it could not be discussed. Mr. Vescio said fine and left the meeting.

Mr. Churchill then commented that he had walked by the dumpster that morning and he noticed that it was filled with construction material. There was further discussion in the meeting about the same issues as mentioned above.

Christie Ward asked if Stan was a homeowner in the Keys. Mr. Sweeney said that he lives on Apache Loop, and he is the contractor on the Spires job lot 10 and he is Gary Svider's son in law. Ms. Ward said she thought that the Board pretty

much ran him out of the meeting and she was having problems with that. Ms. Shockley said that Stan was not a homeowner; he lives in his father in law's house, Gary Svider. Mr. Sweeney then advised Ms. Ward that Stan was going into another issue that was between two homeowners and that he had already discussed the issue with Stan and he was advised that he and the other homeowner would have to resolve the issue between themselves and that it was not a Board issue and it was not on the agenda and that's when he left. *The motion was seconded and carried unanimously.*

COMMITTEE REPORTS

Mr. Sweeney said that he had shot elevation of Mel Duncan's house and it was below the 18 feet height limit and it conforms to the CC&R's, he had advised Mel that he needed a \$750 construction deposit and plans. He said the only thing he got from Mel so far was his lumber list.

Mr. Baker asked what happens when the next homeowner builds without plans or the deposit. Mr. Churchill advised the Board that Mr. Duncan is not in compliance with the CC&R's by not submitting plans or deposit.

Web Site: Per Chuck Baker the website was formed by Chuck and Sue in 2004 with Bonnie Butterworth. Bonnie was told that the Association just wanted something simple to get the message out. Bonnie agreed to update the site with the minutes and the dates of the meetings once a month for \$10. Then at the last meeting a motion was made to spend \$300 to update the site. Cheryl then sent out a letter, saying stop, we don't want to do that now because Christie and Laura had some ideas about the website which were never discussed. Then Laura sends a letter directly to Bonnie who's our gal about how bland the site is and she went on and on about all the different things we should have on the site. Then Bonnie sends an email back to Laura which it took her about 3 hours to compose, saying what Laura is asking for is more than the \$300 update. Chuck said that Bonnie was upset about what Laura had asked her to do and said she did not want to have anything to do with the Association. Chuck said he then sent Bonnie an apology letter because the letter Laura wrote should never have been written and if the Board wants to change the website it needs to be discussed at a meeting so everyone could know the history of the website. If the Board wants something different that's fine but Bonnie took offense to that. Chuck said he emailed Bonnie and said that Cheryl is saying that things aren't being updated and aren't getting done right, Chuck asked what it would take to have these things corrected, and did Bonnie want more money or what. Bonnie's response was an email saying she did not want to do the website any longer. Chuck stated that the Board made a motion to do the update and then it was stopped and he doesn't know why and a letter was sent out by a Board member without consulting the Board or knowing the history. Chuck stated in his personal opinion the Association's website is all they need, you can get CC&Rs, you can get anything you want off the current website. He stated that it may not be a gorgeous one but the Association is not selling anything. Chuck stated that the Association is now without a webmaster, Bonnie emailed her final bill for 5 months at \$10 per month, and she emailed a zip file which should have everything in it for the website which somebody should be able to pick up.

Ms. Lancaster said she would not apologize for her email; she felt like it was not rude, she asked some questions which Bonnie replied back with a list of things because she wanted the website to be on Word Press. Ms. Lancaster said she does websites, she knows all about them and if Bonnie took offense to her email, then she could have picked up the phone or said let's take this off line and talk about it. Laura stated she was asking questions and idea generating and she was not saying the Board had asked for anything. Laura said she did say the website was bland, its several years old and things have changed and for people who don't live in the Keys there are things they want to see on the website.

Jack Sweeney stated that he read the letter and that Laura had promoted the letter as a Board member and he felt that the matter was discussed and a motion was made to do the amount of work for updating the site and before she sent out the letter she should have passed it around to get the Boards approval. Jack said he has not sent out anything without sending it to Cheryl and getting comments and getting it passed by the Board first. Jack said he probably would have taken offense to such a letter.

Christie Ward said that the May minutes reflect Mr. Baker asking for clarification of what the Association pays for and how much it would cost for updates more than just once a month, before giving the Bonnie the go ahead with the website update. Jack responded that was directed for Cheryl to do, not Laura or Christie. Jack advised Christie and Laura, that amongst the Board members present there was allot of history that goes back and that Christie was fairly new to the Board. He said there are allot of things that have been going on for years that they have no knowledge about because it was before they were on the Board. He suggested before making comments on things they should get the history on the issue. Jack stated the Board wanted a simple site not complex. He stated the Board had a problem with Arnold that had been going on for three or four years and that Christie had made a really big comment about it and he was really unhappy with it. He said that Christie did not have the facts but she was able to speak about it. He said that if someone was going to send out something it should go through Cheryl for approval from the entire Board.

Ms. Shockley stated that she had sent out an email, asking the Board to hold off on the update until things were discussed further and the majority of the Board who had answered said to hold off on the update. Ms. Shockley furthermore said she is totally offended with Bonnie's email to Chuck about her and how Bonnie accused her of the system falling apart after she took over for Sue. Ms. Shockley stated she was never told what to do, she was never told what format to give it to Bonnie in. Ms. Shockley said from the beginning she was always getting reprimanded by Bonnie for her mistakes, she was never given any guide lines. Ms. Shockley asked who was feeding Bonnie all the stuff she said about her in the email, because it was not true.

Mr. Sweeney said that it's obvious between the letters we made her mad and now she's done. Ms. Shockley replied "Whatever".

Ms. Ward said this whole issue started because the Board asked Ms. Shockley to find out exactly what the Association was getting for the amount of money it was spending and part of it is the changes that were supposed to be made that were not made by Bonnie starting with the Board changes. Ms. Shockley said she sent the email from her to Bonnie clearly stating to remove Shelby from the Board of Directors page and she received a response back from Bonnie saying she had done it and now several months have gone by and Shelby's back on the website. Ms. Ward said she saves all her emails and in Cheryl's defensive Bonnie's response was very rude when all Cheryl asked for was what the Board had asked her to do.

Ms. Ward asked Mr. Sweeney to stop interrupting her and it was very upsetting to her because he interrupts her all the time. Ms. Ward said all her and Laura was trying to do was get the information the Board was asking for and when it went off in another direction she said they stopped because they decided it should be brought to the next meeting to form a committee to look into different website options. That's all there was too it and Bonnie took offense from the beginning, it was just asking questions, what do you do, what can be done, what if we wanted to do something different, it didn't warrant what Bonnie's response was.

Ms. Shockley said there was no conspiracy, she asked Christie and Laura to help her because she did not know anything about websites, she said that the Board talks amongst themselves all the time about things that need to be done and she felt that this was just another matter that had been handle by the email she sent out at the beginning of the month asking the Board to hold off on the update.

Mr. Shubin made a motion to form a Website Committee. The motion passed and carried unanimously with the following members: Laura Lancaster, Christie Ward, Chuck Baker and Squeak Kossnar.

OLD BUSINESS

Mr. Price asked what was going on for Security for 4th of July weekend. Mr. Sweeney said he did not think that a person needs to be posted at the gate during the day. Ms. Shockley said that there is a person at the gate during the night and she is on the property driving around. The Deputy comes on at 9pm and leaves at 4am. Ms. Shockley said that the 4th of July holiday is four nights. Mr. Price said they only Ok'd the Deputies for Memorial Day and the insurance issue still needed to be addressed. *Mr. Sweeney made a motion to have the same Security as Memorial Day, Gate person on at 6pm, Deputies on at 9pm to 4am and Cheryl roaming. The motion was seconded. The motion passed with (8) in favor. (2) Opposed.*

NEW BUSINESS

Mr. Baker made a motion to remove Rob Troxler from the Board of Directors because of (3) consecutive un-excused absences. The motion was seconded and carried unanimously.

Mr. Baker stated that this past weekend (Tube Float) the people across the canal were up partying at 1am, he called Carla and got no response, so then he called the La Paz County Sheriff's Department about 1:45am and they said they would check it out. Mr. Baker said he waited about a half hour and nothing happened so he called the sheriff's department again and was told by dispatch that someone might be in the area pretty soon, finally at 3:30am they shut down. He said he didn't know if the sheriff got there and shut them down or if they shut down after Carla talked to them. Mr. Baker said that something needed to be done about this.

Ryan Shubin suggested making a note and next year decide whether to hire the sheriff's department for Tube Float weekend. Mr. Baker said that it wasn't just tube float weekend, it's all the time and he was going through last year's minutes and he proposed that someone be hired like maybe the sheriff's department on the weekends to make people be quiet. Mr. Baker said if someone told them to stop making noise on Friday night then they probably wouldn't do it on Saturday. He doesn't know what but something needs to be done about the renters. Mr. Baker told Carla to screen her people better and she responded that she does and it just isn't renters. Mr. Churchill said he went to a house over the

weekend to ask them to quiet down and they did. Mr. Price wanted to ask the Sheriff's Department why they were not responding to the noise complaints. Mr. Sweeney said that had already been done and the sheriff's department had already assured them that they would respond to all calls in the Keys. Ms. Shockley said that La Paz County did not have the money any more to have that many deputies on duty on the weekend like before; it was the same for the water, all their funding has gone away. Mr. Sweeney said the issue with the sheriff and the insurance needed to be resolved first. Mr. Sweeney said he was not for hiring someone just for two hours a night.

Mr. Churchill said the only way the problem was going to be solved was to have 24 hour security personnel 7 days a week. And until they commit to spend the money it was not going to change. Mr. Price said he does spend the money; he pays the County for these services. Mr. Sweeney said people bitch now about \$50 month dues, if the Association goes to 24 hour security 7 days a week they would never make it on the \$50 per month dues. He said it would take 3 guys a day to make a 24 hour shift, he said that would be \$100, 000 a year in security. Mr. Baker made the suggestion again to hire someone to patrol the Keys between the hours of 12am to 2am, that's when the noise is. Ms. Lancaster suggested that the Board check and see if they could even find someone who would be willing to work those hours. *Chuck Baker made a motion to hire someone on Friday and Saturday nights between 12am and 2am. The motion was seconded with (1) in Favor (9) Opposed.*

The meeting adjourned to Executive Session at 7:20pm

ACTIONS TAKEN FROM EXECUTIVE SESSION

Ryan Shubin made a motion for Mr. Churchill to send a response letter to the Breazeale's attorney and if the matter goes any further than the Board will seek outside counsel. The motion was seconded and carried unanimously.

ADJOURNMENT

The meeting adjourned at 7:41pm
Submitted by Recording Secretary, Cheryl Shockley

APPROVED BY BOARD OF DIRECTORS JULY 18, 2011