

**LAKE MOOVALYA KEYS
Board of Directors
Regular Meeting
&
Work Session**

April 7, 2014

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: Blane Coon, Christie May Ward, Ryan Shubin & Kit Furnell

ABSENT

Board Members: Chris Chambers & William (Squeak) Kossnar

OTHERS PRESENT

General Manager: Heather Wilson

Business Manager/Recording Secretary: Sue Thomson

Legal Counsel: John C. Churchill

Guests: Joe Price (41/42), Gerald Vesely (144), Trish Wikoff (95), Chuck & Joan Smith (103/104), Bill Chiles (200), Kathy Northcutt (73/102), Gary Svider (233), Wayne Nasby (28 via teleconference), Mark Nicholls (169), Dave Johnson (74), Robbie Kaufman (180), Donna Ehlers (170), Debbie Coffelt (183), Bob Colby & Linda Deters (142), Gary & Becky Anslyn (113), Tony Gaipa (118 & 120), Al & Cherie Phillips (168), Patti Schienle (96), Bob Gory & Kim Harsch (Robert Gory Realty), Carla Faulkner (David Plunkett Realty), Tommy Hunter, Steve Heisen.

CALL TO PUBLIC

Ms. Wikoff asked about the decrease in water flow coming into the Keys during the past couple of years causing unclean water in the canals. Mr. Baker said that we did a study about twenty years ago and studied possible solutions for about three or four years. He said that if you

could dredge the canals, the amount of dirt coming out would cover all the dry lots to a height of 25', and there were a lot more vacant lots at that time than there are now. He also said it would have been very expensive, between \$200,000 and \$300,000, at that time. Now we have no place to put dredged materials. He said he has kept measurements, and the bottom has changed only 4-5" at his house. He said we can't control the river's flow; we can't do anything in the canals due to Army Corp of Engineers' regulations. Even placing visquine on the bottom would result in a huge fine. Ms. Wikoff said the Army Corp has to change their minds, and she will look into it. Mr. Churchill said that dredging increases the risk for the HOA and the structure of the canals, and that engineering would be needed. Ms. Wikoff said we only need to increase the water flow/current, not dredge.

Mr. Gory said that when the Keys were being built, rip rap went to the bottom. Circle K discharge increased the amount of silt causing a bump, and the Army Corp wouldn't listen to us about that. He said the Tribes are the only ones who can increase the flow. When the water goes down, water that is under the houses seeps back into the canals with the dirt, causing cracks to occur. It is not safe to drop the water and cause silt to pull out. He said a hydrologist took some tests where they blocked each end of the Keys and pumped out water. He said if you take it out 2', water will flow through any cracks from underneath houses due to pressure from the river. This could cause houses to start caving in. He also said fungus will still float even though wind and water affect current. As far as vegetation in the canals, you can't remove it, and you can't kill it. We are not even allowed to knock out the swallow nests under the bridges.

MINUTES

Mr. Coon moved to approve the March Minutes; Mr. Baker seconded the motion and the motion carried unanimously.

FINANCIAL REPORTS

Mr. Shubin moved to approve the Bookkeeper Report, Prepaid Bills & Bills for Approval; Mr. Baker seconded the motion and the motion carried unanimously.

PREPAID BILLS FOR APPROVAL

Date	Num	Name	Memo	Amount
03/12/2014	6776	Frontier	667-2840	59.39
		"	667-4484	62.87
03/12/2014	6777	Davis Building Supply	#130290	15.32
03/14/2014	6778	Heather Wilson	Advance	925.00
		"	Fuel	100.00
03/17/2014	EFT	Allied Waste Services	3-0527-0040037	1,690.66
03/17/2014	6779	APS	732930287 & 589381281	1,596.40
03/17/2014	6780	AT&T	928-667-4484	35.95
03/27/2014	EFT	Brooke Utilities, Inc.	53017-11860	134.02
03/28/2014	6781	SIGNCRAFT	Trash enclosure signs	258.84

		"	Street sweeping banners	204.92
03/28/2014	PC	Online Labels	Round lot # labels (1/8/14)	104.90
03/28/2014	PC	Kmart	guard shack Xmas lights (11/2/13)	74.98
03/28/2014	PC	Otis Hall	Weed whack streets (2/13/14)	100.00
03/28/2014	PC	Dollar Store	Pinesol (1/7/14)	21.37
03/28/2014	PC	Circle K	Fuel for yard equipment (10/14 - 1/29/14)	88.28
03/28/2014	6782	Petty Cash	Replenish	
03/31/2014	6783	Heather Wilson	March balance	925.00
		"	Fuel	100.00
03/31/2014	6784	Otis Hall	March Groundskeeping	750.00
03/31/2014	6785	Sue Thomson	March	1,150.00
		"	February Pitney Bowes Rental	28.00
		"	Postage	186.88
				8,612.78

BILLS FOR APPROVAL

NetServeOnsite (website upgrades per John Churchill advice) \$150.00

Ms. Lancaster moved to approve the March Balance Sheet; Ms. Furnell seconded the motion and the motion carried unanimously. Mr. Baker moved to approve the March Profit & Loss; Ms. Lancaster seconded the motion and the motion carried unanimously.

GENERAL MANAGER’S REPORT

Ms. Lancaster moved to approve the March General Manager’s Report; Mr. Coon seconded the motion. Ms. Wilson reported a pool refill was done with Association water by a hose being thrown over the homeowner’s wall. The tires were removed from Moovalya Drive. Three sprinkler heads had to be repaired due to someone driving over the guard shack island; the Sheriff’s Office chased down the perpetrator. Otis had told the guy to enter through the exit gate. Frontier was called to replace smashed phone utility boxes on Moovalya Drive.

Ms. Wilson said the keypad continues to need being reset. McIntyre Security was out to update the 10-year old system. The openers always work, just the keypad is fussy. The gate stuck open recently when the power was taken down twice recently. Mr. Sweeney agreed that the keypad continues to need being reset, and he is getting a quote from Gate King about a system that can handle close to 300 codes. He thinks the cost will be approximately \$1,400 to \$1,500 and not much to install. He said the page buttons are separate from the call buttons, and when they lock up, it takes 90 seconds to reset itself. Ms. Wilson said the gates experience a high volume of use, and we replaced other gate parts last year. Mr. Sweeney said we had to reprogram all codes about six or seven years ago. He said he should have a solid quote by next month.

Ms. Wilson said Frontier was called so that security guards can have use of the land line that is mainly used for the gate’s page function.

Ms. Furnell reported that Steve Green called her to compliment the HOA on the appearance of the entrance area including the grass and trash enclosures areas.

Mr. Gory reported that the ambulances were concerned about not always being able to get through the gate for emergencies; Ms. Wilson said the ambulances now have their own code. *There being no further discussion, the motion to approve the General Manager's Report carried unanimously.*

WORK SESSION

Ms. Lancaster took chair of the Work Session and stated that she had made proposals for the rental owners which she previously distributed for comments and feedback. She then edited the proposal package to include all the comments and feedback she had thus far received, and she read the proposals, comments and feedback to the audience. She said that noise and parking are the main issues.

Some rental owners feel they shouldn't be charged a fee to rent their properties, and have we calculated the costs on an apples-to-apples basis—in other words, are renters being held to the same accountability as homeowners who have lots of relatives visit all at the same time. Shouldn't there be a happy medium?

There was a homeowner suggestion about having a maximum of three cars at any one property, and maybe increase guest parking by removing the oleanders by the trash enclosures to create some parking spaces, and take out part of the grass area for more parking.

Question was raised by a homeowner about how many complaints for noise and parking have been made. Comment was made about the noise level of boat speakers, and that this is not always caused by renters. Someone should be able to call in these offenses and end it; if not, then the Sheriff's Office should be called.

Another homeowner comment was made about how to control noise, no matter who creates it; we shouldn't categorize it, and not all homeowners can deal with offenders; that it is unwise to approach a drunk, and some people don't feel comfortable calling the Sheriff's Office. We should focus on the root cause of the problems, look for solutions, and give them a try.

Mr. Baker said that many rentals are from Thursday through Sunday nights, and Thursday and Sunday nights are a problem when noise continues until the early a.m.

It was noted that any time of day there is excessive noise, it is a noise violation.

Mr. Gaipa said he disconnected his outside speaker, and he is putting up "Good Neighbor Rules" on his glass slider, as well as a contract addendum that says he will charge an additional \$100 if the Sheriff's Office comes out due to a complaint.

Mr. Churchill said that as far as noise is concerned, the HOA can go after association members, but it can't go after renters, only the owners of the property they are renting. Mr. Sweeney added that when we issue citations for tenant parking violations, we immediately contact the rental agent so the fine can be deducted from the tenants' security deposit, or in the case of an owner-agent, the owner is immediately contacted.

Ms. Wilson said there is currently no fine established for noise; the HOA has no quiet-time provision in either the CC&R's or a passed rule. It was noted that everyone now knows about the parking rules, so perhaps assessing a fine for noise is a good place to start to attempt compliance with noise control. The Sheriff's Office can't be in charge of noise fines.

Mr. Johnson said he understands both sides and that Thursday nights should be respectfully quiet, but when he parties on birthdays or holidays, or on Friday or Saturday nights, he's going to go past midnight; that this is not a retirement community.

There were differing homeowner opinions of the value of establishing quiet times. Ms. Lancaster wondered if a quiet time of 11:30 p.m. – 8:00 a.m. during the week be set. Mr. Price said he doesn't approve of quiet-time designations, because it gives people permission to make noise outside established quiet times. He said he has renters on both sides of him, and 99% of the time, if he asks them to turn down the noise, they comply. He also said it is problematic for us to prove noise violations, as you can't take a picture of it. There was also a discussion about construction noise during the week occurring before 8:00 a.m. when it is hot in the dead of summer, and construction workers must start early.

Mr. Coon said he recently counted 18 renters with 10 cars at one house across from him, and all the cars were parked up and down the street.

Ms. Faulkner said they list all the rules on their rental handouts when people check in with her, and they get the talk about what they can and can't do.

Another homeowner suggestion was about creating general visitor parking for everyone to use; Ms. Lancaster suggested a proposal that only trailers be allowed in the common lot.

Ms. Northcutt said she tells her renters they can have only one vehicle and trailer; Ms. Lancaster said she limits her rentals as well. Mr. Johnson said you should allow only what your property can handle.

Ms. Lancaster suggested a proposed noise change and solicited feedback; who is going to enforce; punishment; fairness. Mr. Johnson suggested leaving it to the Sheriff's Office, and as far as his opinion on profanity, that's probably a First Amendment issue. Ms. Coffelt said she felt another neighbor should weigh in on a problem before a fine is issued. Mr. Sweeney said proper procedure is to call the GM, and she decides what is wrong. Mr. Johnson said that property values will decline if we start quiet times at midnight. Another homeowner said that no one answers the phone when complaints are lodged.

Ms. Lancaster went through the remainder of the package that discusses Unlicensed Drivers, White Lines, and a proposed new rule on Excess Vehicle Violation, which has to be applicable to everyone. Mr. Johnson says he has permission to park his trailer at a neighbor's house, and Mr. Sweeney said that no one is suggesting that you can't park at a neighbor's if you are authorized to do so. Ms. Lancaster said we are just starting a conversation, and Ms. Wilson said the homeowners know where they can or can't park.

Mr. Gaipa suggested issuing parking stickers that say, for example, "1 of 4", "2 of 4", etc. (or "1 of..." however many spaces you have available).

Mr. Churchill said that the CC&R's are specific regarding single-family homes, but that we've all had parties at our house, and arrangements were made for parking; but the remedies are the responsibility of the homeowners. Ms. Coffelt said that the property managers are responsible, and Mr. Churchill said, "No, you are responsible."

Mr. Baker said that Ms. Lancaster has come up with these proposed changes, and we scheduled this work session to see what everyone can live with. We are not voting tonight, or at the annual meeting. We will get more feedback, and then go from there; that we are no longer totally opposed to renters. If people can police themselves, that would go a long way. He said that almost all the lots in the Keys are built out, and if all the properties were rented, there would be a real problem; that you are all here to give us feedback.

Ms. Harsch asked if everyone is going to get a packet to vote on at some point, and Mr. Baker said that these matters will be discussed again at the annual meeting, and that there will be a vote at some point in the future during a special meeting; that we need to compromise.

Mr. Churchill said that all meetings are public meetings, including work sessions, and that the CC&R's require a special meeting to vote on such matters, and those issues can be voted on by Absentee Ballot for those who can't attend. We cannot vote on any of these issues at the upcoming annual meeting because they haven't been formally noticed.

Mr. Phillips said everyone should be treated equally and that these problems cannot be blamed solely on renters. Mr. Churchill said that short-term renters are a problem, and that some HOA's compromise by setting standards. He said that excessive noise decreases property values. Mr. Johnson responded to that by saying that property values decrease when First Amendment rights are affected. Ms. Furnell said that the packet contents are for all people; that every homeowner needs to follow rules, so weekend renters need guidelines.

Mr. Johnson said he believes that 65-70% of owners should be voting. And, yes, there used to be more vacant lots, and, yes, boat speakers are technologically more advanced (louder) than they used to be. He also believes that having meetings on Monday doesn't properly represent the rental owners who don't live here. Ms. Lancaster said we could set up a video conferencing system for about \$1,000 so that owners can participate via their computers.

The proposed rules package will be posted on the HOA's website (under Special Notices for the time being). It was also suggested that owners get acquainted with their neighbors and

share telephone numbers with each other. Mr. Johnson suggested a forum on the website for people to post comments.

Mr. Churchill said that in order to pass rules and fines, a 2/3 affirmative vote is required, that is, 2/3 of all ballots submitted, not 2/3 of the general membership, and not 2/3 of those in attendance at a meeting. Absentee ballots can be submitted and count towards total ballot count. It's 2/3 from there. Everyone is formally noticed, the issues presented, and the issues are check marked for a *yes* or *no* vote on the ballots.

Ms. Lancaster said she received several comments about why we do not have a sealed ballot system. She also said it would be beneficial to have written candidates' statements go out to the membership at the time the annual meeting packets are distributed. Mr. Sweeney said people do not vote if they don't care about the issues. Ms. Thomson said we can look into a sealed ballot system for next year, as well as candidates' statements.

There was a question about changing something in the CC&R's, and Mr. Churchill said that they cannot be changed without a 75% affirmative vote of all members; that they are not supposed to be easy to change. He said that rules and fines are easier to establish and change.

There was a homeowner suggestion that e-mail submissions should be blind if the homeowner so requests.

Packet discussion continued in regard to trespassing on docks, patios and watercraft and that there are new statutes about the amount of fines one can establish in this regard.

The rental application should require a telephone number for the property manager or owner/manager.

A \$50 annual fee was in listed in the proposals to offset administrative assistance and the issuance of parking passes.

The Tenant Information Sheet was discussed with proposed revisions. A home rental notice was proposed that has contact phone numbers; many older rentals already have this voluntarily posted at their houses. It should be posted in all rentals on the inside of the front door for all renters to see. Ms. Lancaster and Ms. Northcutt have already posted home rental notices in their rental properties.

Car passes were discussed with the proposal that the number of passes issued be kept track of.

The rental contract and information sheet has proposed revisions, including renters' acknowledgment signatures regarding fine amounts for violations. Car pass hangers were brought up, versus stickers. Ms. Wilson said that it is not harassment when we require a car sticker; sometimes we need to know who to contact, and we can't do that without a sticker or

pass. Anyone needing additional stickers should contact the General Manager, and she will get them to you.

Mr. Sweeney reminded everyone that trespass is a police issue. The HOA and Ms. Wilson are aware of a current trespass problem where a gate was torn down, and there was no cooperation by the neighbor involved. The Sheriff's Office is aware of the problem.

Mr. Johnson said that parking is only an issue on holidays and that there is no rule that says you must have a vehicle sticker or pass.

Double parking of boats was already voted on in 2008 as being prohibitive.

Dogs – unleashed and droppings are a problem, but with the waste stations installed, positive feedback was received that indicates people are being more responsible with picking up after their pets.

Trash – as soon as the new signs went up that prohibit the dumping of construction materials, a bunch of said materials went in the dumpsters; that people are throwing things into the trash bins from the hill above. Ms. Wikoff asked about the possibility of installing cameras at the trash area, and Mr. Sweeney replied that there is no power source close to the trash enclosures, and the cost would be too expensive. APS won't allow us to tap into their pole at the parking lot. Solar is expensive when you want to capture nighttime activity; it gets complicated and pricey.

Ms. Anslyn asked about recycling, and can we create some more specific guidelines. Ms. Wilson noted that Otis used to go through the trash for recyclables, but we can't do that anymore for liability reasons. Trisha Pollett made her own recycling receptacle at her property. Mr. Coon said that people just toss things over the gate, and we can't section off an area for recycling.

7-Day Parking Lot Rule – It was suggested that we use it only for trailer parking. The current rule allows parking for no more than 7 consecutive days with a maximum of 14 days within a 30-day time period. There was a lot of feedback on this issue, including comments about the neighbor who parks his APS truck in the lot all the time. Mr. Sweeney said the CC&R's say that utility trucks can park anywhere/anytime, so that would be an exception to the rule. Other comments involve the lack of guest parking in general and the fact that this was not a properly planned community where there is no guest parking per se, and about eco friendly plants versus grass at the entrance, or using some of that space for additional parking.

Sleeping in RV's. Mr. Sweeney said this is completely forbidden per the CC&R's and an established rule and fine for violating this has already been established.

No Wake Zone – We need to post more notices and educate everyone on the importance of our no-wake zone. Mrs. Smith noted that the buoy by the Northcutt property is gone, and can we put up another no-wake sign. Mr. Sweeney said a nice metal sign on an owner's dock would be okay to put up.

Mr. Johnson, noting that he occasionally rents his house, was not on the e-mail distribution list for the packet. It was noted that the HOA wasn't aware of his renting his property, and Mr. Johnson needs to submit a \$1,000 rental security deposit.

Fireworks – Mr. Baker said that if one house or dock goes up in flames due to fireworks, they'll all go up, since we're too close together. Bottle rockets and other dangerous fireworks are prohibited in La Paz County.

Tenant Information Sheets – It was suggested that the fine for non-submission of a tenant information sheet be reduced to \$15 and some of the wording be revised to comply with the law. They should be deemed late if not received within 24 hours of start of tenancy, and the fine would assess for a late submission or inadequate information provided.

Rental Security Deposits – This rule was passed in 2004, and we tried to repeal it in 2008, but it failed. The deposit wasn't meant to protect owners' properties; it was meant to protect Association property. The reason we wanted this repealed was that \$1,000 wasn't enough money to cover any damage anyway.

Annual HOA Renter Permit Fee – Feedback received on this proposed fee includes whether or not this is fair and balanced. Owners also have multiple guests and extra vehicles; is this a fair, apples-to-apples use of our security guard costs. Also, many of the rentals do not generate any trash in the off season, as opposed to owners who live here full time and use the dumpsters all the time. This same reasoning goes for the use of the streets and opening of the gate, so why should the rental units pay a fee when the other owners wouldn't have to—they are using just as many resources. Mr. Phillips said the renters come in the gate and they stay until they leave. Owners are in and out all the time. Mr. Johnson said, 'who cares', we pay for the gate with the dues, and if we need a new gate, then charge more dues.

Mr. Lancaster reported feedback about the security guards and whether or not they were effective last year. Security was better when the first security guard was replaced. Ms. Coffelt asked why the renters should pay a fee for security, and Ms. Wilson said we need security on big weekends for everyone. Mr. Coon said that the rhinos can go 70 MPH now, and security is needed to that as well. Ms. Wilson said that security pulls over kids in carts and takes them back to their parents.

Mr. Johnson complained about the cops who come into the Keys, and can't we keep them out. He said he can't even sit in a golf cart with a beer without being called out. Mr. Sweeney said it was an HOA decision to let the cops in the gate. Mr. Churchill said there are specific laws in Arizona about DUI's, and you can be cited in a golf cart if alcohol is involved; a key in the ignition, even if the cart is just parked, is not good.

NEW BUSINESS

The next meeting date is May 5, 2014.

ADJOURNMENT

The meeting adjourned at 8:30 p.m.

Submitted by Recording Secretary, Sue Thomson

APPROVED BY BOARD OF DIRECTORS MAY 5, 2014