

**LAKE MOOVALYA KEYS**  
**Board of Directors**  
**Approved Meeting Minutes**  
**October 4, 2020**

**CALL TO ORDER:**

Mr. Sweeney called the Board of Directors Meeting of the Lake Moovalya Keys to order at 6:00 pm.

**PRESENT:**

President	Jack Sweeney	Lot 197
Vice President	Kevin Auman	Lot 137
Secretary/Treasurer	Karen Gallio	Lot 1
	Mark Volkoff	Lot 33
	Blane Coon	Lot 54
	Kathy Northcutt	Lot 73 and Lot 102
	Chuck Smith	Lot 103 and Lot 104
	Chuck Baker	Lot 117
	Chris Chambers	Lot 164
	Bill Manderscheid	Lot 228

**OTHERS PRESENT:**

Legal Counsel:	John C. Churchill	Lot 153 and Lot 154
General Manager/ Recording Secretary:	Heather Wilson	Lot 166

**ZOOM:**

Lori Auman	Lot 137
Sheri Homan	Lot 212

**ABSENT:**

Kit Furnell	Lot 16
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**GUESTS:**

Jamie Holzhauer	Lot 76
Charlie Ball	Lot 76
Vincent Graves	Lot 79
Kathi Graves	Lot 79
Kyle Sullivan	Lot 96
Fabio Gaipa	Lot 120
Hamish Bell	Lot 121
Mark Panetta	Lot 130
Doug Mitts	Lot 136
Linda Mitts	Lot 136
Doug Mitts	Lot 136
Dennis Kreil	Lot 141
Liz Woodward	Lot 148
Bill Woodward	Lot 148
Jeff Carley	Lot 149
Leeann Carley	Lot 149
Richard Arnold	Lot 191
Sally Arnold	Lot 191
Scott Homan	Lot 212

**GUESTS CONTINUED**

Dennis Smith	Lot 214
Kathleen Habermann	Lot 226 and Lot 229
Steve Habermann	Lot 226 and Lot 229
Christie Ward	Lot 227
Kim Gory	RGR
Carla Faulkner	David Plunkett Realty

**CALL TO THE PUBLIC:**

Hamish Bell homeowner of Lot 121 - 8699 Papago Loop reported that the “Rental Review Committee” recently had their suggestions posted on the website under the “Members Only” section and it was also sent out to the community via email and asked the Board of Directors for their approval to allow the “Keys Family Owners Group” concerns and suggestions to be posted on the website under the “Members Only” section and sent out via a community email as well.

Mr. Sweeney reported; All homeowners were invited to submit their concerns and suggestions to the Moovalya Keys email so that they can be forwarded to the Board of Directors and then passed on to the “Rental Review Committee” and that Mr. Bell can also submit the “Keys Family Owners Group’s” concerns and suggestions as well and once the Board of Directors has had the opportunity to review the submission, at that time the Board can decide as to whether or not to approve it for posting on the Moovalya Keys website under the “Members Only” section. Mr. Sweeney stated that the Board is not going to approve any website posting or community email that is improper or destructive.

Mr. Bell stated; He is concerned as to whether or not the “Rental Review Committee” is going to actually be presenting something to the Board this time around so that we can actually accomplish something this year.

Mr. Sweeney stated; We have already received multiple suggestions from homeowners, via email and it appears that homeowners are pretty much in agreement with most of the concerns, which are; over occupancy, lack of local management, overflow parking, over use of the facilities, noise and trespassing.

Mr. Sweeney also reported that the Board of Directors is committed to presenting a plan of action in regards to the concerns with the short-term rentals and our rules to the membership this year, so that they have an opportunity to vote on the issues at hand.

**EPCOR**

Richard Arnold homeowner of Lot 191 - 8703 Yaqui Loop, reported that he has had a water leak in his meter box for months now and has contacted not only Brooke Utilities, but Epcor as well and he is still waiting for a timeline as to when they are planning on fixing the leak that is clearly on their side of the meter.

Mr. Arnold also reported that thanks to Heather Wilson our General Manager, she made some calls and was able to at least arrange to have someone from the local field office to come by and look at it to verify that it was on Epcor’s side of the meter, which it is. However, he is still waiting for someone to show up to actually do the repairs.

**CALL TO THE PUBLIC CONTINUED:**

**EPCOR Continued**

Mr. Sweeney reported; EPCOR has just recently taken over for Brook Utilities, hopeful they will be more responsive than Brooke Utilities and he has also noticed a lot of EPCOR's trucks on the property, so that it promising and homeowners should expect to see a about 30% increase in their water bills.

Ms. Wilson reported; We currently have three (3) leaks on the property two (2) on Papago and one (1) on Yaqui Loop. Mr. Sweeny asked Ms. Wilson to continue following up with EPCOR.

### **Violation Stickers**

Jamie Holzhauer homeowner of Lot 76 - 8865 Apache Loop, asked the Board if they would consider using a different type of violation sticker that the violation sticker that is currently being used requires a razor blade to remove it, so for the people that do not have a razor blade to remove the violation sticker have to drive home with the violation sticker still on their driver's side of the window impairing the driver's vision.

Mr. Sweeney reported; The reason that the violation sticker is placed on the driver's side of the window is so that they are aware that they are in violation and asked Ms. Wilson to place the sticker on the lower right-hand corner of the driver's side window.

### **BOARD OF DIRECTORS MEETING MINUTES:**

Mr. Auman made a motion to approve the **September 2020 Board of Directors Meeting Minutes**. Mr. Coon seconded the motion and the motion carried unanimously.

### **BOARD OF DIRECTORS EXECUTIVE SESSION MEETING MINUTES:**

Mr. Chambers made a motion to approve the **September 2020 Board of Directors Meeting Minutes**. Ms. Gallio seconded the motion and the motion carried unanimously.

### **FINANCIALS**

#### **Bookkeeper's Report, Prepaid Bills and Bills for Approval**

Mr. Smith made a motion to approve the **September 2020 Bookkeepers Report, Prepaid Bills and Bills for Approval**. Mr. Volkoff seconded the motion and the motion carried unanimously.

### **DISCUSSION – PREPAID BILLS AND BILLS FOR APPROVAL**

Christie Ward homeowner of Lot 227 – 8920 Riverside Drive reported; Under the Bills for Approval where is it stated that our bookkeeper has not yet received a bill from Krupnik and Speas she was wondering who is Krupnik and Speas.

Mr. Sweeney reported; Krupnik & Speas is an attorney that the Board of Directors has hired.

Ms. Ward stated; She may have missed the Board meeting when Krupnik and Speas was discussed and was curious as to who they are and what service is it that they provide, so she attempted to look up Krupnik and Speas on the website to see what service they provide and she was not able find any information about them on the website.

Mr. Sweeney reported that yes she did miss the meeting that discussed who Krupnik and Speas are and that Krupnik and Speas is a HOA law firm that specializes in HOA issues and CC&R's and that they are willing to assist the Board of Directors and the "Rental Review Committee" travel through the muddy waters that have been created by the state and local government with all of the current laws pertaining to short and long terms rentals, and that is exactly what they are doing,

### **DISCUSSION – PREPAID BILLS AND BILLS FOR APPROVAL CONTINUED**

Ms. Ward asked Mr. Sweeney what is their opinion and who are they giving their opining to.

Mr. Sweeny reported; Their opinion is given to the Board of Directors so that the Board of Directors can make recommendations to the "Rental Review Committee", so when it comes to actually making rules or changing the rules, "Rental Review Committee" can make their recommendations to the Board of Directors that can actually be enforced according to the law.

**SEPTEMBER PREPAID BILLS**

Date	Num	Name	Memo	Amount
09/01/2020	DEBIT	Desert Dominion Security	August 28 & 29	431.80
09/03/2020	7797	Parker Tree Service	Trim palms & trees	900.00
09/07/2020	DEBIT	MyFax Services	Virtual Fax Fee	10.00
09/08/2020	DEBIT	Desert Dominion Security	Labor Day holiday	660.40
09/10/2020	DEBIT	Frontier	667-2840	111.03
09/10/2020	DEBIT	Frontier	667-4484	108.59
09/14/2020	DEBIT	Republic Services	3-0527-0040037	3,670.80
09/15/2020	7798	Heather Wilson	GM Advance	1,433.33
		"	Vehicle Allowance	100.00
		"	Recording Secy. Advance	125.00
09/15/2020	DEBIT	Desert Dominion Security	September 11 & 12	431.80
09/15/2020	7799	HD Supply	100 parking passes	130.39
09/15/2020	7800	EPCOR	8/4 - 9/3	1,105.43
09/15/2020	7801	Davis Building Supply	Hoses	96.38
09/23/2020	DEBIT	APS	6276651000	106.92
09/23/2020	DEBIT	APS	6125100000	1,636.22
09/25/2020	DEBIT	Desert Dominion Security	September 18 & 19	431.80
09/26/2020	7802	Postmaster	Stamps	165.00
09/27/2020	DEBIT	Amazon	Lenovo Laptop Computer	590.72
09/28/2020	7803	Havasu Sweeping	Street sweeping	450.00
09/28/2020	DEBIT	Quill	GM ofc. supplies	195.73
09/29/2020	DEBIT	Desert Dominion Security	September 25 & 26	431.80
09/30/2020	7804	Heather Wilson	GM Balance	1,433.33
		"	Vehicle Allowance	100.00
		"	Recording Secy. Balance	125.00
09/30/2020	7805	Otis Hall	September Groundskeeping	800.00
09/30/2020	7806	Sue Thomson	September Bookkeeping	1,250.00
		"	Postage	6.60
09/30/2020	7807	La Paz County Sheriff	Oct. 5 Board Meeting @ Boathouse	100.00
				<b>17,138.07</b>

**BILLS FOR APPROVAL**

Frontier (I understand this is not going to be approved)	\$1,320.52
Rolyan Buoys	659.67
Law Office of John Churchill (July & September services)	2,090.00

**Balance Sheet**

Mr. Baker made a motion to approve the **September 2020 Balance Sheet**.  
 Mr. Manderscheid seconded the motion and the motion carried unanimously.

**FINANCIALS CONTINUED**

**Profit and Loss Statement**

Mr. Baker made a motion to approve the **September 2020 Profit and Loss Report**. Mr. Smith seconded the motion and the motion carried unanimously.

## **DISCUSSION – PROFIT AND LOSS STATEMENT**

### **HOA Dues Increase**

Mr. Sweeney reported; The water bill, electricity, trash fees, security and attorney fees have all gone up this past year and that we are looking at another 20% dues increase, which comes out to a \$12.00 per month increase.

Mr. Sweeney also reported; That if implemented, a 20% dues increase does not require a vote by the membership and that the dues increase will be implemented in the January 2021 dues statement that will be going out next quarter.

Mr. Sweeney asked Ms. Wilson to put the 2021 - 20% Dues Increase on the agenda for next month under new business.

## **OLD BUSINESS**

### **Construction Progress Report**

Ms. Wilson reported we currently have thirteen (13) projects under construction. Lot 14, Lot 19, Lot 25, Lot 56, Lot 67, Lot 74, Lot 101, Lot 123, Lot 160, Lot 208, Lot 214, Lot 227 and Lot 231.

### **Lap Top Computer with Speaker**

Mr. Sweeney reported; The Association has purchased a laptop computer that is to be used for the Zoom Board meetings only and that a speaker has been purchased as well and that the Board is making every effort to provide the proper equipment so that the membership is able to log into Zoom and be a part of the Board of Directors meetings.

### **Rental Review Committee**

Mr. Volkoff reported; The “Rental Review Committee” has met via zoom four (4) times this past month, round tabling the suggestions that the Board has given and the input that they have received from the community via email.

Christie Ward homeowner of Lot 225 reported; Mr. Volkoff has been amazing with heading up this committee as far as keeping us on track and that the committee is comprised of three (3) people that rent their property and three (3) people that do not rent their property and that it is their focus to come up with suggestions to present to the Board.

### **Overflow Parking Lot**

Ms. Ward reported; The committee has come up with several suggestion to control the overflow parking lot and the suggestions are as follows: \*

- \* Only (1) Trailer per lot is allowed to park in the overflow parking lot
- \* Only (1) Trailer and (1) vehicle/truck per lot is allowed to park in the overflow parking
- \* No RVS or Camper Trailers are to be allowed to park in the overflow parking lot
- \* Re-design the layout of the overflow parking lot

## **OLD BUSINESS CONTINUED**

### **Local Management**

- \* All homeowners are required to provide their emergency contact information to the Moovalya Keys General Manager annually

- \* Homeowners who rent out their property need to provide local emergency contact information to their renters
- \* In case of an Emergency call the Sheriff
- \* Contact Property Manager when emergencies arise
- \* Recommends that the Security person have copies of the TIS Sheets

## **Rental Review Committee**

### **Overcrowding**

The committee has agreed that a head count limitation of ten (10) guests would be a good number, but they are not sure how this can be done legally.

### **Noise Concerns**

- \* Establishing reasonable quiet times
- \* Setting fines associated with noise concerns
- \* Make the fines impactful
- \* Property Manager track complaints for each property so that the Rental Review Committee knows what is going on.

### **Trespassing**

Ms. Ward reported that as a committee they felt as a HOA that we really cannot enforce trespassing on an owner's private property that this can only be addressed by the property owner.

### **Establish a List of Good Neighbor Policies**

Ms. Ward reported that the good neighbor policy would consist of not more than ten items and some of the items suggested are

- \* Be courteous to your neighbors
- \* Do not trespass on to your neighbor's property
- \* Do not park on your neighbor's docks
- \* Do not park on your neighbor's driveways
- \* Respect Quiet times
- \* Require that the "Good Neighbor Policy" is signed with each lease and it is to be submitted with the TIS Sheet to whoever manages the property.
- \* Require that all homeowners sign the "Good Neighbor Policy" and submit it annually.
- \* All homeowners post the "Good Neighbor Policy" in their homes

Mr. Chambers asked Ms. Ward where it reads noise concerns, property manager is to track complaints on each property, are they referring to complaints that the property manager receives or the complaints that go the sheriff's department or both.

Ms. Ward reported; All complaints from homeowners need to be reported to the General Manager and if a homeowner owner calls the Sheriff, they should report that to the General Manager as well.

Mr. Sweeney stated; The "Rental Review Committee" information is going to be posted on the website under the "Members Only" section and please email your suggestions to [moovalyakeys@gmail.com](mailto:moovalyakeys@gmail.com) so that they can be passed on to both the Board of Directors and the "Rental Review Committee".

## **OLD BUSINESS CONTINUED**

### **CC&R'S Review and Discussion**

#### **Grandfathering**

Mr. Auman made a motion to modify the existing CC&R's through a "Special Election" that will allow the grandfathering of all current homeowners the right to use their property as a short term rental, but

once property transfers ownership, all leases are to be a minimum of thirty (30) consecutive days, and no new lease may begin less than thirty (30) days after the start date of the prior lease and additionally; all advertisements offering leases must specify a minimum lease term of thirty (30) consecutive days. Mr. Sweeney seconded the motion and the motion passed unanimously.

Mr. Sweeny reported; Homes are currently being sold under the basis that the property can be rented out as a short term rental, therefore we are gaining more short term rental properties, and at some point in time, there are going to be so many short term rental properties available in the Moovalya Keys that rental properties in the Moovalya Keys are going to be experiencing a lot of vacancies.

Dennis Kreil, homeowner of Lot 141 – 8778 Yaqui Loop asked the Board if this is the only course of action that is s going to be taking place to resolve some of our issues with the short-term rentals.

Mr. Sweeney reported; This proposed CC&R change will have no impact on the “Rental Review Committee” that the “Rental Review Committee” will to continue to move forward with the review of our rules will continue to try to resolve our issues with short term rentals and hopefully the “Rental Review Committee” will have something put together to present to the Board so that any new rules can be voted on at the Special Meeting that is going to be called for the “Grandfather” clause.

#### **Rental Properties - Access to entire property**

Ms. Gallio asked Mr. Sweeney; since our CC&R’s clearly states that when you rent out your home that it is to be rented out in its entirety and that includes the garage.

Jamie Holzhauer owner of Lot 76 – 8865 Apache Loop reported; Her attorney has informed her that she does not need to open up every closet or the garage and that her attorney has interpreted it as a law and that the Association needs to seek legal advice before making it a rule so that it is enforceable.

Mr. Sweeney reported that the reality is that before the Board of Directors puts anything out to vote to the membership that the Board will be seeking legal advice to avoid any major issues with homeowners.

Mr. Sweeney reported; Our CC&R’s clearly states that it takes 2/3 of the voting membership to pass rule or to make changes the CC&Rs.

#### **NEW BUSINESS**

##### **Lot 226 – 8908 Riverside Drive**

Kathleen Habermann homeowner of Lot 226, reported that basically all they are asking for is a “Special Use Permit” that will allow them to build a single residence on a commercial lot and that the last request for a “Conditional Use Permit” was denied by the Board, because it stated that they were going to have two residences on one lot that is currently zoned C1 Commercial.

#### **NEW BUSINESS CONTINUED**

##### **Lot 226 – 8908 Riverside Drive Continued**

Ms. Habermann also stated; Even if it was their intent to build two residences on one lot, that she has records stating that Lots 227,224, 223 and 222 are commercial lots and that they were approved for a “Conditional Use Permit.

Mr. Sweeney stated; He has been a member of the Board of Directors for over ten years and that the Board, during his tenor, has never written a letter that was in favor of a “Conditional Use Permit”. Mr. Sweeney also stated that the Board of Directors has written letters that were in favor of changing a C-2 Commercial Zoning into a R-1 Residential Zoning.

Ms. Habermann stated; She is asking for the same accommodation that Mr. Manderscheid was allowed on his lot which is a residential building on a C-2 Commercial Zoned lot.

Mr. Manderscheid asked Ms. Habermann what zoning does she show for his lot?

Ms. Habermann stated that according to the paper work that she has in her hand Mr. Manderscheid’s lot is zoned C-2 Commercial.

Mr. Manderscheid reported; The paper work that Ms. Habermann is in possession of is wrong that his lot is zoned R-1 Residential and that he paid the fees to have his property rezoned from a C-2 Commercial Zoning to a R-1 Residential Zoning before he started the construction on his house back in 2015 and that the paperwork that Ms. Habermann is in possession of is not correct and he will personally go down to the La Paz County Building Department and dispute the zoning with them.

Mr. Sweeney reported; The Board of Directors did write a letter on Mr. Manderscheid’s behalf to the La Paz County Building Department notifying them that the Moovalya Keys was in favor of changing the lot from a C-2 Commercial Zoning to a R-1 Residential zoning.

Ms. Sweeney reported; He believes that the Habermann’s have every intention of building a house at the backside of their existing building and that in the meantime the Habermann’s are planning to make the necessary changes to the existing building so that it can be turned into a short term rental and that the Board of Directors is not going to give the Habermann’s a blanket approval by approving a “Conditional Use Permit”, that will allow the Habermann’s to build a new house behind an existing building and change the existing building into a four bedroom one bath short term rental.

Mr. Sweeney also reported; He has no issue with writing a letter to the La Paz County Department authorizing the Habermann’s to convert their property from a C-2 Commercial Zoning to a R-1 Residential zoning, just as they have done in the past.

Mr. Baker asked Ms. Habermann why does she not want to re-zone her property to a residential property. Ms. Habermann reported; She was advised by her attorney to not change the property from a C-2 Commercial Zoning to a R-1 Residential Zoning.

Mr. Baker reported; He too is not in favor of allowing a residential property to be built on a commercial property for the simple fact that a commercial zoning allows for zero lot lines and that he is not in favor of a residential house being built on a zero-lot line.

Mr. Sweeney stated; It is not in the Moovalya Keys best interest to issue Ms. Habermann a letter approving a “Conditional Use Permit” that will allow a residential building to be built on a commercial lot, due to the fact that a commercial zoning allows for zero lot lines and that the

### **NEW BUSINESS CONTINUED**

#### **Lot 226 – 8908 Riverside Drive Continued**

Board of Directors is willing to issue Ms. Habermann a letter authorizing them to change their lot from a C-2 Commercial Zoning to a R-1 Residential Zoning.



Mr. Baker made a motion to not approval the request for a “Conditional Use Permit” for Lot 226 – 8908 Riverside Drive. Mr. Auman seconded the motion. Ms. Northcutt abstained and the motion passed.

### **Rental Deposits**

Mr. Sweeney reported; It has come to the Boards attention that the Rental Deposit Rule that the Moovalya Keys currently has in place that was adopted years ago, is no longer allowed according to the current State of Arizona statute and made a motion that all rental deposits be refunded with interest and that the rule be stricken from our rules. Chris Chambers seconded the motion and the motion passed unanimously.

### **Frontier**

Ms. Wilson reported; The Moovalya Keys has received a bill from Frontier in the amount of \$1,320.52 for the repairs to a pedestal located at 8878 Apache Loop and that last year Frontier came thru the property and fixed all of the broken pedestals at no charge but did tell us that moving forward the Association will be charged for damaged pedestals due to the fact that they are in the common areas and that it would not be right to charge the homeowners where these pedestals are located because no one knows who actually hit the pedestal.

Ms. Wilson also reported; We have another pedestal at Lot 26 - 8863 Moovalya Drive that has been smashed and that she has reached out to the construction division to meet them at this location to discuss the options that we have, as far as putting their equipment back together and the possibility of maybe relocating their equipment underground.

Ms. Wilson suggested that due to the fact that Frontier is holding us responsible as far as payment of the repair bills, that we consider installing guard posts at the 8865 Apache and the 8863 Moovalya Drive location, since these locations are the most venerable location as far as being hit again.

Mr. Sweeney reported; Most of the pedestals are located in a utility easement which is not considered a common area and that we have no way of identifying who actually hit it.

Mr. Sweeney also reported; The Association cannot install guard posts on private property, but since the pedestal are actually placed on a utility easement, that the utility company can install guard posts to protect their equipment and that the Association needs to pay their repair bills.

Mr. Sweeney reported; In order to install a guard post on someone’s property that we need to get the written permission of the property owner to install a guard post on their property and if the homeowner does not allow us to install a guard post on their property to protect the pedestal, then we will notify to homeowner in writing that they will be responsible for any future repair bills due to their pedestal be knocked over.

Mr. Sweeney made a motion that the Board approve the payment of the \$1,320.52 to Frontier for the repair at 8865 Apache Loop. Mr. Baker seconded the motion and the motion carried unanimously.

### **EXECUTIVE SESSION**

6:48 pm Executive session in now in session

7:30 pm Executive Session is out of session.

Mr. Sweeney adjourned the meeting at 7:58 PM

Next Board of Directors Meeting will be November 2, 2020 at the Buckskin Fire Department.

Submitted by Recording Secretary, Heather Wilson