

SAGUARO VIEW MANAGEMENT, INC
Board of Directors Scheduled Meeting Minutes

Saturday, August 14, 2021

9:00 AM – Sun City West Foundation – Grand Canyon Room

The meeting was called to order at 9:00 a.m.

Rick led us in the Pledge of Allegiance

- A quorum was confirmed - **ALL board officers & director present: R.Molera, M. Greenawalt, N. Sosa, J.Harper, T.Oldham - 9 SVM members in attendance**
- Motion to accept the draft agenda was made by Trish and seconded by Mary, All approved. Motion passed
- Motion to approve the March 20, 2021 draft meeting minutes was made by Trish and seconded by Nell, All approved. Motion Passed
- **Housekeeping Tasks:** All licenses and Certifications have been approved and paid for. Road maintenance was done 3/1/2021 & 7/13/2021. The originally scheduled road maintenance for 6/5/2021 had to be delayed due to a water leak at the well site, Ted had to break through the concrete encasement to replace an old tie that had disintegrated. This was accomplished with less than a 1- hour outage for the membership. Great work Ted! All systems at the well are redundant and we normally try to keep any shutdowns to one hour. A second water leak was repaired by Ted on 8/5 and on 8/9 we had a 4-hour APS power outage that covered a large area. On a side note, U of A actually reviewed our well site as an example of a well-run system - in 2013.
- **Treasurer's Report:** Jack gave the treasurer's report which can be viewed on the website under the Fiscal Tab
- **Address 90 day delinquencies:** Mary drove an effort to regain control of our delinquent accounts, both water bills and annual assessments. It has come to our attention that some homeowners send in or make an electronic payment for their annual assessments but fail to notate the payment is for the assessment and not water. Colby adds this payment to the member's water account usually causing a credit balance on this account. We would ask if you suddenly have an unexpected credit balance on your water bill, please call Colby Management at 623-977-3860. 90-day delinquencies are down from \$1800.00 in June to \$962.00 as of 8/13. Rick and Trish will meet with Colby to re-assess how our delinquencies are handled, most members are making an effort to get their accounts in order.
- A motion was made to take legal action against accounts who have not responded by Jack and seconded by Trish. All approved. Motion passed

- **Water system valuation for Reserve purposes:** Last year it was proposed we hire an outside company to audit and perform a system valuation to ensure our reserves are adequate for a cost of more than \$5000.00. Rick along with Ted (our well site manager) and Joe Fiano (our water treatment operator) were able to do this at no cost to the association. This valuation can be seen on the website under the water tab.
Rick proposes we need to dispose of the two obsolete storage tanks at the well-site and add new storage tanks to increase our water storage capacity by 20,000 gallons to ensure delivery to the rapidly increasing number of built out homes. Costs of new storage tanks is currently approximately \$2.00 per gallon capacity.
- A motion to accept the valuation and funding goals was made by Rick and seconded by Trish, all approved. Motion Passed.
- **Update well-site preparation Activities:** Plan to remove obsolete tanks and set up for future upgrades beginning next year.
- **Discussion on new home construction activities:** Jack has volunteered to handle a new home architectural review process. The City of Surprise is or has made changes to the zoning ordinances within city limits. Our architectural review will insure property owners follow our Covenants, Conditions, and Restrictions.
- A motion to not install a water meter until the review is completed was made by Jack and seconded by Trish, all approved. Motion passed.
- **Update of Lawsuit brought against association by member:** Rick advised the attending members of a lawsuit brought against the association. - **SVM Board met with our attorneys, as noticed via U.S. Mail & WEBSITE, to ALL members, July 14, 2021 – 3:00p.m. We were advised and it was confirmed: All official, factual, legal SVM documents have been delivered, are in order and ready to go, for next phase of this matter.**
- **Member discussion regarding 156th Ave:** Sara Everett explained the ongoing problem she and her neighbors are having with a recalcitrant homeowner who seems to believe he can restrict access to his neighbor's properties. The board will try to help these members. Jack suggested they may want to look into forming a taxing district, however this would have to be done for the entire association as it is unlikely the City would consider taking just this small, dead end road. This issue will be revisited at the next meeting.
- **Adjourn:** Newilda made a motion to adjourn, Mary seconded and all approved. The meeting was adjourned at 10:44 a.m.

Respectfully submitted by Trish Oldham
Secretary of Saguaro View Management, Assoc.

2021 AUG - SVM ASSOC. High Level Valuation - H2O nonprofit company

Fact: Our current reserve allocations are adequately funded to service our projected infrastructure upgrades for the next five to ten years.

Today, SVM Assoc. Is in a healthy financial position. This now permits us to complete a more strategic level of long term planning. Necessary to ensure our association is capable of functioning as a viable public water business system for the next 10, 25 to 50 years.

A reasonable and common sense approach was used to establish our next level of reserve funding goals - using an agreed to **20% reserve rule:**

SVM Total System Valuation	Total Reserve Fund Goal
Minimum = \$2,000,000	\$400,000
Midpoint = \$3,000,000	\$600,000
Maximum = \$4,000,000	\$800,000

This multi-level valuation was determined by calculating projected costs, working that out with our Water System Maintenance Operator Ted Chittenden and Joe Fiano, our water treatment operator.

Main consideration: Our brand new well hole was drilled and completed in 2015; last major water infrastructure expense. The cost was ~\$250,000, in total. This enabled a fully redundant system - However, our original well is now over 40 years old - so we must plan for that next replacement well hole.

In summary, the above valuations and reserve fund goals would cover SVM budgeted and planned water system infrastructure upgrade expenses - Without necessitating ongoing increases in **SVM monthly water usage rates and/or annual assessment rate and/or water system buy-in set amount.**

++ ZERO projected increases in SVM Assoc member fees ++