



The Ocotillo Community Association

C/o Premier Community Management, Inc.
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OPEN SESSION MINUTES **August 23, 2011**

The Meeting was convened in the Conference Room at the First Federal Credit Union and called to order at 5:30PM by President – Mike Palermo, Other Board attendees included: Vice President – Wally Brown, Secretary – Donna DeVoe, Director – Susana Lewis and Treasurer – Julie Dameron via phone conference.

Quorum was duly noted and recorded. Also in attendance from Premier Community Management, Inc. (PCM) was General Manager - Pat Wontor and Assistant Manager - Dana Stevens. Legal representative - Josh Bolen from Carpenter Hazlewood was also present.

I. Pledge of Allegiance:

II. Approval of Minutes:

Wally motioned to approve the June 28, 2011 Open Session minutes as written. Motion seconded and carried unanimously. Susana and Donna abstained from the vote.

III. Treasurer's Report:

Julie presented the financial summary report for July 2011.

At the end of July, 2011 the total operating account balance was \$657,099.26, total reserves were \$1,123,832.85 and other assets of \$45,524.72, for total liabilities & equity of \$1,826,456.83. Variances from budget were noted.

Month to date (MTD) income is 3.1% over budget, and year to date (YTD) income is 2.1% over budget (\$28,133.56). Month to date (MTD) expenses are 8.9% under budget, and (YTD) expenses are 11.6% under budget (\$156,566.08).

Reserves are currently 116% funded for the Master Association per the 2008 Reserve Study.

IV. Reclaimed Water: ADEQ Type 2 Permit Discussion

The discussion continued on the determination of responsibility for the Type 2 and 3 Permits now required for the sub-associations, apartments, retail and commercial properties. The Board, with guidance from legal counsel, explored options to determine the most efficient, cost effective method for all to comply with the ADEQ requirements yet protect members of The OCA from penalties that may be incurred for potential non-compliance. The Board determined it is in the community's best interest for each of the apartments, sub-associations, retail and commercial properties to acquire and maintain their own Type 2 or 3 Permit.

Recognizing the permit fee and cost to prepare and submit the permit are unbudgeted, and in support of the membership, The OCA Board agreed to provide the option to complete, submit and pay the permit fee for each to streamline the process, and coordinate future permit renewals, funded from small increases in the monthly reclaimed water assessment. Should a property prefer to acquire their permit on their own without assistance from The OCA, they may do so, however all related expenses and permit fees would be paid for by the sub-association, apartment, retail or commercial property. A Motion was made by Donna to

require all sub-associations, apartments, retail and commercial properties to obtain their own Type 2 or 3 Permit, with the preparation, submittal and permit fee paid for by The OCA, and to fund the costs and future renewals with small increases in the monthly effluent use fee. Motion seconded and carried unanimously.

V. Proposals for ADEQ Type 3 Permit for OCA

Proposals were received from two companies for completion of the ADEQ Type 3 permit on behalf of The OCA. Mike disclosed knowing the owner of Bluewater Consulting and abstained from the discussion and vote. After reviewing the proposals, a Motion was made by Donna to accept the proposal from Bluewater Consulting in the amount of \$2,250 for completion and submittal of the Type 3 Reclaimed Water Permit for The OCA. Motion seconded and carried unanimously.

VI. Design Review – Setback Variance

A homeowner brought a setback concern to the Board during Homeowner Open Discussion at the April 26th meeting for an addition built that was conditionally approved by the ODRB. Management confirmed the required setback was not met at the front of the side property wall. The Board reviewed documentation provided and agreed to grant the variance due to adequate space between the two homes. The Board agreed to request the homeowner plant an oleander to help screen the front corner of the addition. Board directed management to contact each homeowner with Board decision.

VII. Manager’s Report:

Pat reviewed the July management report.

Bathroom remodels have been completed and the new bathrooms look great.

Castle Reserves is working to complete the Reserve Study. Anticipate receiving a draft of the report and preliminary reserve numbers within the next couple of weeks for budget preparation.

The AAA crews will begin scalping Monday, September 19th and should finish up 5 to 6 weeks later. They will be adding dirt in locations where needed to level out the turf during the process.

We experienced a fish kill in early August. Dr. Rick Amalfi with Aquatic Consulting was on site several times and took a number of water samples to determine the cause and any possible solution. There was no sign of golden algae or other definitive cause. We will be working with Pat Church with Fresh Catch Fish to determine what adjustments should be made in our fall fish stocking plan.

Additional shoreline has been found to repair, which increases the cost to repair over the \$114,000 approved last month. Susana motioned to approve repairs in an amount not to exceed \$122,000 to Morataya’s Landscaping and Pacific Aquascape as determined by the proposals and field measured by management and staff. Motion seconded and carried unanimously

The Cross Connection Inspection process on homeowner irrigation systems began on July 25th in Water’s Edge. Brandon and the City of Chandler staff have completed testing on all 64 homes in Water’s Edge and 9 homes in Crown Point to date. This week, they will be continuing in The Island and The Vistas.

VIII. Violation Report:

Dana reviewed the violation report for the month of June and July. Letter numbers have come down for front yard landscaping due to homeowners trimming dead portions of ficus trees from the winter freeze.

IX. Adjournment

Wally motioned to adjourn the meeting at 6:30PM. Motion seconded and carried unanimously.

Respectfully Submitted,
Dana Stevens