

Pine Meadows Country Club Estates
Homeowners Association
15 October 2023

Dear Property Owner;

As we approach the final Board of Directors meeting of the year, I thought it would be appropriate to provide the membership with an update on the happenings within our community, specifically, regarding the ongoing turmoil with our sewer system.

In 2008, and for the following 10 years, the HOA operated and maintained the sewer system . . . largely because following a deed settlement reached between the HOA and Diane Hunter, the owner of the golf course, we (the HOA) believed ceded ownership of the sewer system to the HOA.

Unfortunately, in 2018, a legal ruling made it clear that the HOA DID NOT, nor ever had, owned the sewer system, and maintenance and operation reverted to Diane Hunter, who hired a company from Snowflake to maintain and operate the system, which they did quite well.

In 2021 Diane Hunter sold the golf course (including the sewer system) to Rick Koberna. Koberna subsequently defaulted on his note, and at a subsequent trustee sale in 2022, Dr Saiz and his wife gained ownership of the golf course . . . and the sewer system.

(As an aside, Dr. Saiz' claims that he did not know that a sewer system was included in the property he acquired. Whether this is true or not is of no consequence in the events which followed.) Consequently, beginning sometime in 2022, and probably coincident with the change in ownership, the contract which Diane Hunter had maintained with the Snowflake company, was either allowed to lapse or canceled, and all maintenance and operating/testing requirements mandated by the Arizona Department of Environmental Quality (ADEQ), were discontinued . . . no testing, no maintenance, no anything.

In the fall of 2022, either by complaints or discovery via the change of ownership process, ADEQ became aware of the lack of maintenance and testing and assigned a caseworker to begin monitoring the plant. In May 2023, a raw sewage overflow occurred adjacent to the property of one of our homeowners, and ADEQ conducted an onsite inspection. Their inspection revealed numerous discrepancies and errors, and ADEQ filed suit against the Saiz' with the Arizona Assistant Attorney General's (AAG) office. In June 2023, an immediate injunction and temporary restraining order (TRO) were issued, requiring the Saiz' to immediately rectify the discrepancies, return the sewer plant to complete operating condition, and effect whatever repairs to equipment and plant that were identified by the ADEQ inspection.

Those legal filings, and this letter have been posted to the HOA website (AZPineMeadowsHOA.com) for your information.

From that point, a company called “A Quality Water” has been engaged to provide the required maintenance and testing, and the sewer system has been operating satisfactorily since. They have provided contact information, and their phone number is on the HOA website.

Additionally, the AAG notified the Saiz’ of significant fines and penalties that would/could be imposed as a result of the lack of maintenance and testing requirements that had endured from October 2022 to the present (June 2023 . . . date of the TRO).

Since that time the AAG and the Saiz’ have been in litigation regarding the fines, penalties, restrictions, requirements, etc. As of sometime in September, the AAG and the Saiz’ have apparently reached an agreement and a “consent decree” is presently being circulated among the pertinent parties. We do not yet, at this time, have a copy of the consent decree, nor any idea as to what the fines or penalties to the Saiz’ might be, and certainly no idea as to what the impact on our HOA might be.

At this point in time, the HOA can do nothing but wait on the publishing of the consent decree to find out how this litigation might effect us. We have been advised by our Counselor to the Board that as we have absolutely no ownership position with regard to the sewer system, we have no leverage position at this time, and that it would be counter productive and possibly injurious to our interests to attempt to insert the HOA into the legal process. If, once the decree is published, it turns out that the HOA will be the subject of markedly increased sewer fees (something the Saiz can likely do legally to defray the expenses they will likely incur via the fines and penalties imposed), the board may be forced to engage the services of an attorney to contest that action if we feel that that is warranted. For this, we must wait and see.

I will publish further information as it becomes available. I encourage everyone to access the HOA website, in the “about” section under sewer information, as that is the most reasonable location to provide updates.

If anyone has any questions, you can contact me at: Bill@JuvatPilot.com, and I’ll do my best to provide you with an answer.

Sincerely.

W.O. (Bill) Johnson
PMCCE HOA Assn.
President