

CASE STUDY 001

ADDITIONAL WATER DEPOSIT 2012

The official Junta de Compensacion Statutes instruct us to share the costs of Cabrera Poligono 1 Maintenance and Infrastructure in proportion to land ownership. This means that Home Owners and Land Owners (Developers) should share the costs in proportion to their respective land holding.

The Junta has not followed the legal Statutes since 1993 when the concept of the so-called “1993 Agreement” was established. The idea was that the Home Owners would pay for all the Maintenance costs and the Land Owners (Developers) would cover the Infrastructure costs.

The Water Deposit story dates back to 2012. This Case Study has been provided to illustrate the patterned and entrenched disregard that the Junta has shown towards the Home-owners. The Junta behaviours are not new.

After years of debate, it was decided in 2012 that Home Owners would fund a new water deposit at a budgetary cost of €25,000 **in order to improve water quality**. There was no need for an additional water deposit at the time as there was sufficient water in Cabrera.

The Junta should have obtained 3 quotations for the Home Owners to consider.

The Junta did **not** obtain 3 quotations and present them to the Home Owners by means of a surgery as agreed. Instead the work was carried out by a company belonging to one Developer with no competitive tender submission.

The company did the work for €36,584 which was € 11,584 above the agreed maximum budget.

The flimsy justification for the homeowners footing the bill seems to be that the 3rd water deposit was “not in the urbanisation project” and was therefore classed as “additional works” and not “urbanisation works”. There does not seem to be any transparent process for such cases and the Junta appeared to take the option that was most financially beneficial to the Developers.

The residents were told that the Water Deposit was required to improve the water quality and it would be fitted with settlement compartments at different levels. However, the final product had no filtration system and was literally a concrete shell.

There was no improvement in the water quality.

If the official Statutes had been followed, the Home Owners and Land Owners (Developers) would have shared this cost according to their % land holdings.

If the “1993 Agreement” had been followed, the Developers would have paid for the additional water deposit infrastructure in its entirety. There would have been no cost to the Home Owners.

Neither arrangement was followed. Instead, the Home Owners paid for **ALL** the costs of the water deposit infrastructure and the Developers paid **NOTHING AT ALL**.

One Developer had €36,584 of business pass through his company for providing the ‘necessary expertise’. According to the minutes of the 23 November 2012 AGM, the majority of the work would be carried out by the Junta workmen who are funded solely by the Homeowners.

So:

- The Developers obtained a new water deposit (infrastructure) which they can use to supply new homes.
- It seems that the Homeowners will generously pay for the maintenance of this new water deposit into the future as we presently pay for all maintenance. The Developers presently propose to pay nothing towards maintenance.
- The Developers did not pay for the water deposit at all. It was completely funded by the Homeowners. It is understood that the initial invoice from the Developer to the maintenance budget was in excess of €41,000 which was only reduced after opposition from the Residents.
- The purpose of the new water deposit was allegedly to improve the water quality for Homeowners. The water quality was not improved.

The following table makes reference to the AGM minutes:

	AGM EVENTS
21-Nov-08	<p>Water Decalcification plant discussed. Jose confirms that there is sufficient water in Cabrera, but it's the 'quality not the quantity that counts'.</p> <p>By way of comparison the existing two Cabrera deposits held 320m³ but the whole of Turre was serviced by a 800m³ deposit. A water steering group was formed and tasked with providing a report.</p>
20-Nov-09	<p>Water proposal tabled by the Steering Group. It was proposed that a water deposit would consist of 3 staged settlement compartments to purify the water. Jose indicated that a quotation had been received in the region of €35,000 to €40,000 to build the concrete structure for the new depositor.</p> <p>The water deposit would be built on land owned by Jose Jerez which he would donate to the Junta de Compensation. It would not include the decalcification plant but would include the settlement compartments arrangements as proposed by the Steering Group.</p>
25-Nov-11	<p>The meeting was told that an estimate of 23,000€ had been received for the water deposit.</p> <p>It was decided that the Junta should seek tenders to a maximum of 25,000€ and when 3 quotes were received a surgery meeting would be called for discussion and voting on this project.</p>
23-Nov-12	<p>Under 'Water Deposito' it was noted that the project had already been started.</p> <p>The bulk of the work for the deposito will be done by the Junta workmen. Vaitier will only add expertise as necessary.</p> <p>The question of residents owning the land once the deposito was built was raised. Sr Jose Jerez told the meeting he owns the land where the other deposito is on and also owns the land for the new deposito. If any resident wanted to donate land he would willingly withdraw his offer.</p> <p>The cost estimate was queried and Jose Jerez pointed out that any work carried out by Vaitier, would be at cost price and he felt sure that with his expertise of working in our environment he could make savings.</p>



Concrete Shell Water Deposit (Sopalmó Road)

ADDENDUM : ZONE 1 INFRASTRUCTURE

On the wider subject of infrastructure spend, residents may like to take trip down to Zone 1 of the Cabrera development where it is possible to view infrastructure which has been classed as 100% complete at an assessed value of €532,109.53.

In Zone 1, you will be able to see the type of infrastructure that should have been provided when you purchased your homes from the Developers.

It is hard not to feel that the money which should have gone into providing the existing homes with the appropriate infrastructure has been directed towards, amongst other things, preparing this Zone 1 infrastructure for new purchasers.

As the “1993 Agreement” is presently being enacted by the Junta:

1. The full cost of maintaining this infrastructure will fall to the Homeowners as the Developers are exempted from paying for maintenance. (or, at least, until the courts reinstate the Order to abide by the Statutes).
2. During any future construction works, the Home Owners will cover all the wear and tear for the Developers in perpetuity (or, at least, until the courts reinstate the Order to abide by the Statutes).
3. No matter what the quality of the build, all future maintenance costs will be placed onto the Homeowners. (or, at least, until the courts reinstate the Order to abide by the Statutes).
4. Residents will gain a better appreciation as to why the costs for water deposit infrastructure and new transformer infrastructure are steadily being foisted on to them by the Developers. This is contrary to both the “1993 Agreement” and the Statutes.

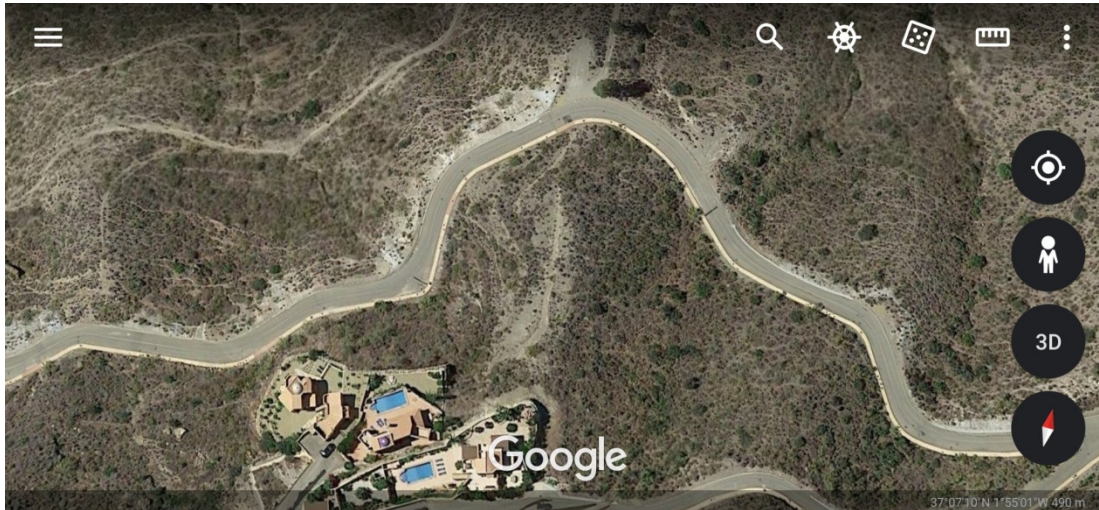
The following Google Earth view shows the Zone 1 area which is ready for new purchasers. Other views show more detail of the roads and pavements that have been provided for a stretch of about 1 mile.

Aerial View of Partial Development Zone 1

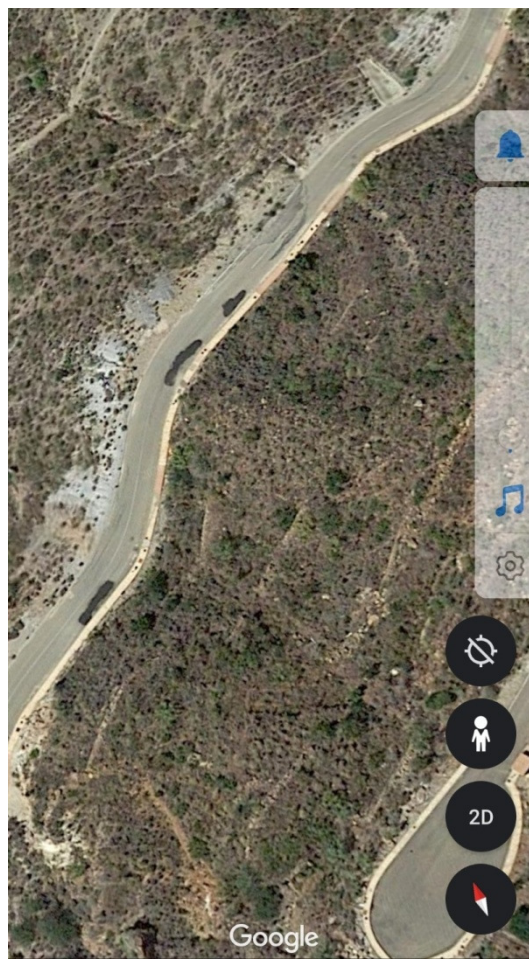
(100% complete at an assessed value of €532,109.53)



A Closer Look at the Infrastructure in Zone 1:



The view below shows repair work in Zone 1. The tarmac road and infrastructure was completed in the second half of 2008. The repairs to that road have been an ongoing issue post construction of the houses in that area. The road repairs have been required due to continual breakages in the water supply pipes. The cost of these repairs will have come from the maintenance funds (ie. Home-owners alone). This brings into question both the quality of the water infrastructure and the guarantees provided by the Developers.



CAUTIONARY NOTE TO HOME OWNERS

IF YOU AGREE WITH THIS WAY OF WORKING YOU SHOULD NOT BE SURPRISED IF THE VALUE OF YOUR HOME IS AFFECTED AND THE TIME TAKEN TO SELL IS EXTENDED.

FOR THOSE CONTEMPLATING SELLING THEIR PROPERTY, PLEASE ENSURE THAT YOU INFORM YOUR BUYER OF ALL THE KNOWN RISKS, ENCUMBRANCES AND LIABILITIES ON THE PROPERTY.