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WATERS LANDING HOA MINUTES FROM 4/19/23 MONTHLY MEETING

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Called to order at 7:01 via Zoom

Open floor:

- Officer Dixon reported that an arrest 4/18/23 which took place at community center did not involve the community; additionally that the body removed from lake Churchill was a person who had been reported missing from the Panthers Ridge Drive area of Germantown. Police recovered a body Tuesday, April 18 and identified the person on April 19.
- Bruce Schwalm asked about AERC appeals and was advised to email comments to HOA office; He encourages greater communication on this issue.
- Suzanne Wiggins read a commentary about what residents bought into back years ago in Waters Landing and how times have changed from what she considered an old-fashioned vision. She inquired about how we might update that vision and honor the needs of all our residents. She was asked to submit her comments in writing to be included in the AERC appeal packet.
- Stephen Tice asked questions about the time period for appeal. The deadline for filing appeals is Friday, April 21 and there is a 60 day period from the date of appeal. More to come from legal.
- Jane Wikman asked how the community gets notice about appeals and when there is an exception requested of the AERC. There will be notice to the community about the appeal but the WLHOA is working with legal.
- Open floor ends at 7:17 p.m.

Notation of Attendance: John Pesce, President, Nic D' Ascoli, Vice President, Laura Magnuson, Treasurer, Anita Weinstein, Secretary, Mark Sagarin, At Large, Kristin Czarick, General Manager, Shelia Jenkins-Diaz, Executive Assistant to the General Manager, and Sonia Iraheta from First Service Residential, and Police Officer Marcus Dixon

Members of Community Present:

Gavin Green, Lee Callicutt, Bruce Schwalm, Christy Jordan, Holly Middleton, Susanne Wiggins, Stephen Tise, Jessica Luna, Sharon Black, Anna Davis, Jane Wikman, Russell Barrett, Thomas Naugler

Approval of Minutes:

- Open Meeting Minutes 3/15/23—Laura moves, Mark seconds –unanimous vote (4)
- Closed Meeting Minutes 3/17/23-- Laura moves, Mark seconds—unanimous vote (4)

Contractor Report: NONE

Committee Report: AERC

1. AERC April Report: AERC met Monday April 3rd, 2023 with 11 Applications in total, with one being just a "Maintenance" application. Of the applications, 8 were approved, 1 was withdrawn, 1 was tabled and later approved (T/A), and 1 was denied.

- **There were 3 in the Lake Forest Neighborhood:** Deck addition (approved), Tree removal (approved), Driveway expansion (approved)
- **There were 3 in the Highlands Neighborhood:** Fence replacement (currently under the Appeal process), Wood stain of porch columns (denied), and Decorative stones on the lower part of porch columns (T/A)
- **There were 2 in the Waters Edge Neighborhood:** Roof shingles repair/replacement (maintenance) (approved), Handrails on the front porch (approved)
- **There was 1 in the Logans Port Neighborhood:** Shutter & Siding replacement (approved)
- **There was 1 in the Sunridge Neighborhood:** Solar Pannels (withdrawn)
- **There was 1 in the Woodlands Neighborhood:** Removal of small tree that was too close to the house/foundation (approved)

2. AERC Appeal:

- Right to appeal is now included in the letter and is now standard operating procedure with the AERC.
- Laura questions if there is timely notice to the community of any request for exception in order for the community to have timely appeal. There will be fine tuning with legal for the details of what kind of notice and when. Also it is important to have notice of exceptions before the meeting and that is advertised in the News Ashore as well as website.
- AERC Meetings are on the first Monday of the month

Financial Report: Sonia Iraheta, First Service Residential .

1. Financial Monthly Narrative

- Miscellaneous Charges are mostly click-pay charges but that is charged back to the homeowner.
- Delinquent accounts to date include all accounts that are past due
- Electric charges for the community center were over budget because of the timing of bills
- Pool A water and sewer is over budget by \$4,000 because of the leak at Pool A parking lot which has been repaired
- No budget to record interest payments to neighborhood budgets—interest is in the consolidated accounts
- Personal Property taxes are excessive because of back payments for our non-permeable surfaces
- **ACTION ITEM:** Set up work session to address neighborhood budgets and whether we should be allocating interest to neighborhood reserves

General Manager's Report:

1. Restructure Update: Working on restructure of the office including staffing and possibly contracting out services; digitizing and archiving records with bids due in late May; equipment and furniture. **ACTION ITEM:** GM to get bids for digitizing and archiving records for May.
2. Community Center Renovations: floors, lighting, windows, electrical audit of building. **ACTION ITEM:** Get list of architects/engineers to do assessments of the needs and costs for the May/June meeting. Suggestion to consider a solar panel roof on the community center. Board members want architectural/engineering review for community center and renovations. **ACTION ITEM:** Look to bring bids in May or June except for asphalt

3. What needs asphalt—areas that need patching. **ACTION ITEM:** Determine areas that need asphalt patching.
4. Pools---negotiating with RSV with Zoom meeting on 4/24/23 at 3 p.m.; fine-tuning pool pass process; digitizing pool passes; **ACTION ITEM:** Provide contractor proposal to renovate siding at Pool A and B and to do roofing on Pool B. Some of this may be able to be done before and during season but rest done after end of the season.
5. Making sure vendors are submitting invoices properly
6. 2021 Audit—completed; working on 2022 Audit (work one year behind because looking at the funds expended the year prior)
7. Maintenance vendors---meet with handyman service vendors and provide fee schedule for handyman service. **ACTION ITEM:** Get quotes from other handymen in the area for the May meeting.
8. Swim Team—still have to work on the calendar

Board Report:

1. Litigation—CSL lawsuit pending with litigation expenses about \$160,000; Motion deadlines upcoming. Motion for Summary Judgment to be filed by CSL.
2. **MOTION:** to improve archival records of agendas, minutes by establishing a meeting archive in tabular form as a table with exhibits hyperlinked going forward., pending confirmation of the website capability and testing by GM. Anita seconds. Meet April 27. Kristin will come back by April 27 to evaluate status. Unanimous (4)
3. **MOTION** to Standardize meeting minutes—keeping minutes to a minimum as necessary. Nic motion; Laura seconds. Objections from Anita and Laura. Nic withdraws motion for now.
4. **MOTION** to cease recording Zoom meetings. Mark seconds. Nic believes Zoom meeting recording is wrong and to require this stifles conversation. Board never voted to record meetings. Board members wanted more time to consider this. Motion tabled to be reconsidered at a later.
5. Funds Reimbursement and Disbursement---Kristin wants to put together a complete HOA policy single on fund disbursement and reimbursement. She and Nic will discuss and take it up at the April 27 meeting. **ACTION ITEM:** Report back on reimbursement and disbursement SOP at the May meeting.
6. **Statement from Closed Meeting:** “In accordance with the Waters Landing Association Declarations and Bylaws Article V Section 4 the duly elected board of directors has authorized the establishment of a committee and is soliciting member volunteers to: explore various options to maximize efficiency of operations; including but not limited to conducting market research of full-service management companies; and to further develop service, property, and contract inventories. No decisions regarding any change to our hybrid self-management/contract framework have been made at this time. The committee will provide valuable information to the board and inform the board’s future decisions.

Old Business:

1. **MOTION** on Investments—Laura moves to put \$2.3 million in XML, laddering over 5 year period....\$245,000 chunks of investments ; more coming due in June and December (exhibit attached) --get report from Laura. All in now with \$500,000 coming due regularly. Beth suggests going out to 5 years and lock in because rates are likely to go down. Beth explains there is no penalty for early withdrawal because they can make a secondary market and can sell the CD in the open market. What that means is WL HOA will get current market value at that time. Therefore, in a declining interest rate environment, the

CD will go up in value and you will make money. In a rising interest rate environment, the CD value will decline and you will lose money. This is why it's good to ladder because if the association needs to sell prematurely, having CDs that are reinvested in different interest rate environments will give WL HOA the option to sell a CD that is up in value typically. Beth noted that in over 20 years of managing reserves, she rarely have an association that needed to sell prematurely due to monthly reserve contributions and by keeping a cash cushion of 5% of reserves in the money market. Mark seconds motion... 4
yes

2. Explanation of Excess Operating and Reserves: WL HOA has about 1.25 million in cash now. In June, 2023 we will add another 200K from Royal Bank of Canada. In December we will liquidate John Marshall for another 260,000. (need to confirm the date it becomes due). So by end of year, 2022, we will have 1.75 million in cash (unless we have large unforeseen expenditures). That's more than enough to cover the 500,000 in expenses from the Capital Expense chart, assuming that we will be able to get bids out and decided on all of the projects before the end of the year. About 4 months later, in March/April 2024 another 100K invested will come due. In April, 2024, another 500,000 will come due according to Beth's proposal (the 2-1 year cds for 245K each). Then in October, 2024, another 500k will come due (2 -245K cds) So that's an additional 1.1 million in cash, within the next year. Most of that will likely be reinvested. Another 500,000 in cash coming due in 2025. Another 500,000 in cash coming due in 2026. About 250,000 (plus earnings) in 2027 and 250,000 (plus earnings) in 2028.
3. Pool contract—board to have Zoom meeting with RSV on Monday, April 24 to discuss contract negotiations
4. **MOTION:** J&J Trash Service will be awarded a 5 year trash contract at a cost of \$9.50 per unit per month for 1578 units for a total of \$14,991 per month with a 5% increase per year. J&J does bulk pickup and holiday pickup. Anita made the Motion -Marc second. Discussion about length of term and fuel surcharge with Nic already said we are above the fuel surcharge and Laura suggests that we monitor surcharge. All four voted. Bid requests went to 5 contractors and only 3 responded.

New Business:

1. **MOTION:** Hot Water Heater Replacement at Pool B—2-120 gallon heaters need replacement as a reserve expense with transfers from reserves to operating.. Two proposals Mallick (\$30,418) and Ambassador (\$32,759). Nic moved use Ambassador but contingent on a date for completion by May 22 with its own inspections completed (3 days before Memorial Day) as the pools open May 27. Laura seconds motion. Ambassador supplied detailed proposal and has done work for WL HOA previously. Vote: 4 for Ambassador at a cost of \$32,759 which includes permits.

ACTION ITEMS from March Meeting:

- Action Item #1--For the **April Agenda**, Kristin will provide all minutes which still require approval including closed meeting minutes—**Still Need to approve the Closed Meeting Minutes from April 14, 2023 Closed Meeting but Settlement Terms still in discussion**
- Action Item #2—Kristin will provide the fee structure for the T & J by the **April meeting--DONE**
- Action Item #3—**Within one week (by March 22)**, the office staff, Sonia and XML will confer to figure out the fund transfer process- **DONE**
- Action Item #4—Determine if there are any outstanding invoices so that FSR can close the books on 2022 and begin 2023—**Kristin needs to verify that all outstanding invoices are listed with new General Ledger categories**

- Action Item #5—Kristen will resend to board any unpaid invoices --**DONE**
- Action item #6—**Within 2 weeks (by March 29)** FSR will determine if the \$124,000 expense for pool white coating which was paid out of the operating expense fund requires a transfer from the Reserve Fund to reimburse Operating Funds.—**Kristin needs to follow up on this**
- Action Item #7—**Within 2 weeks by March 29**, FSR and Kristin will advise if there are any changes to December financials--**DONE**
- Action Item #8—Kristen will speak with Whiteford Taylor Preston (WTP) to remind them that they are to provide regular quarterly collections reports to the Board of Directors (BOD)—**Quarterly report not yet submitted.**
- Action Item #9—FSR will provide an accounting of the WTP bills for the past 6 months and advise what was billed, what was approved, and what was paid by the next board meeting—**Still open invoices**
- Action Item #10—FSR will provide accounting of collections payments received by WTP in pursuance of delinquent accounts by the **April meeting**
- Action Item #11—FSR (Sonia) will attempt to determine why WTP bills go directly into the AVID system and to FSR without going through Kristen by the next board meeting. This is the only vendor whose bills go directly into AVID before being approved by the GM. At the current time, FSR has to double back and forward the bills to Kristin for approval.—**DONE. WTP will send invoices to AVID and a copy to Kristin**
- Action Item #12—GM will report to the BOD at the **next meeting** on progress on hiring temporary help for the office. **Kristin will meet with Nic April 27 to begin planning and procedures for office staffing and upgrades.**
- Action Item #13—Kristin will provide a more detailed Reserve Project Report with explanations and details of requested improvements, projected dates for each improvement, and how the projected cost was arrived at for the next board meeting. **Engineer/Architect to help with bidding process for capital items.**
- Action Item #14—GM will follow up with Inspection Report from RSV Pools as to the condition of each pool by **March 16, 2023—Zoom meeting with RSV on Monday, April 24.**
- Action Item #15—Kristin will send the board members the pool packet from last year by **Friday, March 17--DONE**
- Action Item #16—Kristin will obtain bids from pool vendors and schedule an additional open meeting as soon as possible. **Zoom meeting with RSV Pools representatives on Monday, April 24.**
- Action Item #17—by **Memorial Day which is Monday, May 29**, the GM will have reviewed the list of Waters landing Swim Team Members and Team Reps to be certain that all participants are current in dues/assessments. This will be done again by **June 18, 2023** for any additional swim team participants. **Outstanding for June.**
- Action Item #18—Kristin will bid out the trash contract with attempts to get vendors which can provide curbside pickup, bulk pickup, and holiday trash pickup. In the interim, the contract with T& J was approved for an extension. **DONE**
- Action Item #19—**Prior to the June/July meeting**, Kristin will contact WTP about the procedure for increasing the size of the BOD. For June/July meeting, Kristin will include this on the agenda. **Outstanding item for future meeting.**
- Action Item #20—**by Wednesday, March 22, 2023** Kristin will make contact with representatives from RBC to determine what needs to be done to complete direct deposit for any dividend/interest checks from the RBC account. **Coordinate with John, Laura and Kevin from RBC for direct deposit.**

ACTION ITEMS from April Meeting

- GM to get bids for digitizing and archiving records for May.

- Get list of architects/engineers to do assessments of the capital improvement needs and costs for the May/June meeting.
- Provide contractor proposal to renovate siding at Pool A and B and to do roofing on Pool B.
- Get quotes from other handymen in the area for the May meeting.
- Report back on reimbursement and disbursement SOP at the May meeting.
- GM will report to board on staffing needs for the office.

Adjournment: 10:05 Laura moves; Anita seconds —all 4 vote affirmatively.