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WATERS LANDING HOA MINUTES FROM 10/18/2023 MONTHLY MEETING

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Called to order at 7:04 p.m. via Zoom

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. John Pesce has opted not to exercise his right to vote as chairperson unless there is a tie so unanimous means all four voting members (D'Ascoli, Sagarin, Magnuson, Weinstein)

Members of Community Present: Rebecca Page, Gavin Green, Don Wiggins, Denise Dewhurst, RL Wales, Stephen Tice, Jane Oilla, Maria Taver, Rose Trigo, Paul Stuhumer, Lauren Furey, Christy Jordan, Susanne Wiggins, Bruce Schwalm, Karen Keizer, Sharon Black, Cindy Snow, Steve Blum, Courtney Egan, Nikki Glazer, Paula Giron, Maria Au, Kim Schwalm, Pat Furey, Kate Snyder, Anita Duval, Mark Smith, Pauline Fletemeyer, Chelsea Gridley-Smith, Jose Thume, Claude Magnuson, Peter Beaucage, Pam Sledge, Tracy Green as reported and provided by the office

Approval of Minutes:

1. Open Meeting Minutes—Minutes from 9/27/2023 Open Public Meeting—tabled at request of GM **ACTION ITEM: GM prepare September meeting minutes for presentation at next board meeting and post minutes**
2. AERC Appeal Hearing Minutes 9/26/23—tabled at request of GM. **ACTION ITEM: Minutes have been prepared by Secretary and GM will provide minutes and post them**

Financial Report:

1. Sonia Iraheta, First Service Residential— not in attendance due to a family emergency

Open floor (20 minutes total 1-2 minutes per speaker): Motion to Move Open Floor to Old Business
Nic/Laura-approved

Committee Report:

1. AERC Committee: October Summary—Sharon Black Is acting Chair of AERC and Stephen Tise is Vice Chair.
 - a. Laurelwood Cove: Anndyke Way 9/10/2023 Replace old deck boards with new boards. DECISION: APPROVED
 - b. Lakeforest: Neerwinder Street 9/19/2023 Replacing old roof with similar/same color and replacing gutters. DECISION: APPROVED
 - c. Lakecrest: Lowfield Drive 9/19/2023 Replacement of front and back doors; and door frames. Change color of front door to red/black. Black back door. DECISION: APPROVED
 - d. Gables Manorwoods: Bargene Way 9/20/2023 Peanut Dog House installation in front of property to cover electrical box. DECISION: APPROVED WITH CONTINGENCIES—keep during major holidays and if Potomac Edison said it was prohibited then it would have to be removed
 - e. US Homes: Diamond Hill Court 9/25/2023 Emergency sewer blockage. DECISION: Emergency repair; no vote

General Manager's Report:

1. Discussion Pool House Renovation: Bathhouse renovations through winter including sinks, countertops, lighting, ventilation and painting of walls and also what need to do to modernize. Need to look at Roofs at both buildings; still looking at parking lots and striping; looking at

budget and revamp budget as per FSR. **ACTION ITEM: Bid proposals must be drafted by GM and approved by the BOD for renovation of poolhouses and for roof replacement. ACTION ITEM: Bid proposals must be drafted by GM and approved by BOD for resurfacing parking lots and restriping parking spaces.**

2. Solicit for Associate Property Manager—draft PD ready to be posted. Kristin need to go back and finish looking at that. Laura said the board approved \$75 to place ad but there are still questions as the proposal has not yet been sent to the board. **ACTION ITEM: Proposal must be sent to BOD for approval.**
3. Contract Minute Taker proposal--Nic still in draft and will be sent to board.

Board Report:

1. CSL Update—Court decided summary judgement motions; Nov. 13 trial date. Parking Agreement was upheld by court as an irrevocable license. Generator agreement is revocable but only upon payment by WLA to CSL of any monies expended.
2. Board Month in Action- Board spent many hours spent on this CSL litigation over the past month.

Old Business:

1. EV Indemnification—forwarded to Counsel **ACTION ITEM: GM to make sure Counsel receives Indemnification Agreement to review.**
2. Interim EV Policy: Nic and Anita working on this—draft received; still need further discussion in red text—in One Drive. Nic thinks Ben should have a copy of this when he is reviewing Indemnification. Ask GM to send this out with deadline for comments. **ACTION ITEM: GM should send latest version of Interim EV Charging Station Policy to Counsel.**
3. Discussion:
 - a. Full Management—Laura
 - i. Heartened by questions—hope to answer every one of them
 - ii. Overview: preconceived notions – this is a complicated community; critical needs that require addressing with staff to try and see how we can get this resolved; we have authorized additional staff—too much for existing staff of 2 full-time people
 - iii. Considering short-term interim management offer through First Service Residential (FSR) . They have been financial management for 20 years. Staff would continue on as pass through but FSR would provide support, resources, technology and enhance community. They handle 44 other communities in MC. Staff and board need to review contract and we know there are concerns about impact on budget.
 - iv. FSR take on staff and get the board out of employment role—they handle all HR at a cost of 7% on top of any payroll increase. We will find out if additional items to be charged. More than enough in budget to provide additional support for staff.
 - v. FSR has done a revamp of budget. WL has been saving money every year of about \$225,000 because we have double booked on reserves. We have more than enough for 7% management of our \$221,000 staffing budget. Means no increase in assessments due to hiring property management company.
 - vi. Staff will continue; BOD get out of HR; FSR has insight and experience in property management;
 - vii. We did have some issues with FSR in past—our bookkeeper disappeared—replaced by Sonia who is responsible—very helpful. But here it is mid October and no budget. FSR came in to investigate how we do budgeting and has prepared a draft budget for our use.
 - viii. Hoping we can work out agreeable contract –revamped budget.
 - ix. How do we evaluate FSR’s performance—hopefully our Action Item list should start decreasing; criteria be created with metrics and have

- community figure out a way to determine if continue—30 day opt out provision which is required by law and provision for transition of records.
- x. Protect community and enhance services and resources and supports staff and out of HR business. Also we could have an ombudsman to report back on community input. Goal is to serve community.
 - xi. AERC overall inspection which can be done by FSR—can't be done by two person staff.
 - xii. Next steps –meeting with Kristin, auditor and FSR to review services and costs
 - xiii. WL is one of largest complex HOAs in MC—between 10,000-12,000 residents; 27 different neighborhoods; each has own budget
 - xiv. 50 acres; lots of common area; maintenance, 3 miles paths; 2.2 million annual budget; 5 million in member equity; this is not Mom and Pop shop but vast and complicated organization
 - xv. Our present Hybrid situation (FSR doing financial management and our office staff doing property management) has caused problems—code and approving vendor invoices—falling behind.
 - xvi. Our Needs: Action Item list is a sign need additional resources; Board not have a prepared budget; GM prepares budget and it is reviewed. We are late in getting budgets out, but FSR has come to our aid and they did budget for us and they noticed there were some questions about the budget. Got PCAM level revamping of budget—shows have excess money; auditor says too much in operating accounts and that we are charging assessments at level higher than what spending. Budget is 3 employees (2 plus part time).
 - xvii. Our systems are not backed up—need security systems; plus need to make sure member details and info secure
 - xviii. \$700,000 in delinquent accounts is high; not pay invoices on time; no continuity of operations plan; board should be doing policy and directions and not involved in the day to day operations of this association; no HR policy, no evaluations, need HR from professional companies.
 - xix. Need New Equipment in office.
 - xx. Based on input from auditor, counsel-- there may only be handful of companies that could handle our Association.
 - xxi. FSR has historical data and all financial information--if change all that--- there will be a difficulties.
 - xxii. We want to consider focusing on FSR for 1 year contract at advice of auditor but still need Feedback of GM
 - xxiii. Kristin Czarick —need manpower, modernize, digitize, HR—questions about budget— software; investment into office to service community better
 - xxiv. Laura—communications, modernizations, modernize technology;
 - xxv. FSR has Resident Connect; not using this for robo-call and send mass communications— tech platforms; tracking of calls—monitored and how cases are closed; Welcome link for Resale Packets which save time; Smart Webs—site for AERC applications—automated to make sure applications complete;
- b. Nic—concerns about process- concerned that we don't know what we want—no statement of work—can't buy service til know what buying; not considered other sources; rushing into FSR; rushed, unfocused without a strategy; no evaluation criteria to decide if this meets our needs; rough over the pst months because Kristin been out and been concerning but we need to do better job to focus on policy; micromanagement with long Action List; Current pay for Resident Connect and can roll it out today; other systems Smart Webs—AERC submission which could benefit from; Welcome Link—they do resale package—look at that for return on investment; we can give Kristin support she needs with CAI associate manager that she can work with; can't compare staffing with other associations; 2 ½ months until elections and think we can give her the support she needs while we flush out a plan forward.

Open floor (20 minutes total 1-2 minutes per speaker): Move Open Floor to Old Business Nic/Laura

1. Karen Keizer: Heard that money in bank—need equipment —people in community to help our staff; AERC not staff to do inspections and follow-ups—need new AERC guidelines; Property management firm to follow guidelines—need updated guidelines; \$700,000 in delinquent accounts—is FSR doing follow-up on delinquent accounts. Hope not property management is not rammed down the throats
2. Kim Krause Schwalm—no announcement of public chat turned off—only message Shelia and Kristin—should announce this and explain why. Kristin recommended chat turned off—but she will explore options. [Nic has opinion against this.] Kim says FSR will bring in some additional resources for minimal expense for 1 year contract for 30 day opt out. Not locked in. Been 1 ½ year in the making so not being crammed down throats. Husband Bruce Schwalm offered to come in and do technology assessment---maybe some resistance. Unfortunate incident at 9/28 meeting—slanderous comment aimed at husband; need professional HR standards—should never be subject of unprofessional behavior. Employee issue. Guidelines, employee contracts, standards. [Nic—HR needs to be taken up in closed session]
3. Bruce Schwalm: Thanks to board and staff—Kristin was missed while away; think there is need to do an in-depth analysis of professional management companies—but also have immediate needs; FSR knows us and might teach us how to run this operation professionally. Lean more towards mediate action—built in emergency chute of 30 days; Getting immediate help for office staff is paramount; Happy to help with office equipment evaluation; Lastly seen chatter about costs—have done estimates about how HOA fees might change.
4. Stephen Tice: Thanks to the board for all work. Weigh in on contract issue. Contract specialist with government; some contracts where have long-term and others are short-term for emergency; listening to litany of issues—if this were federal contract—sole source, urgent compelling public interest contract. One of the issues Nic said that we don't have idea what our needs are—but could add provision for FSR to refine our needs—they have experience and can help develop requirements for another contract. Need something now.
5. Suzanne Wiggins—Feel that this proposed contract is a solution looking for a problem—look first deeply into problem and then explore solutions; Resignation of AERC members and instead of determining why and board appointed interim member. People closest are best to solve it before look to vendor solution; determine what office needs; work in technology—but throwing money not necessarily resolve it. Happy to put hat into ring to help...willing to host pilot of series of community conversations.
6. Mark Smith: great conversation...former board member. Concept of looking at additional support is great step and a bit overdue. When on the board, we started to look at that. Think look at current state and future state —does FSR help us to get there or as an interim step. Look at bigger picture where want to be 3 to 5 years from now. What needs and tools that will help.
7. Cindy Snow: support this proposal. Heard idea of taking on additional staff—but taking on property management instead makes sense. Concerned about budget. Concerned about relationship between board and staff—huge and very busy with 2 staff. Can be overwhelming. Hard to stay on top and get ahead. Important to try something different as long as staff are involved and not push staff out. 1 year trial period is reasonable. As long as fees do not increase, we could all learn a lot and update things that have needed addressing. Delaying versus going with company we are familiar with—important to give it a try. Support a technology assessment—need to make sure tech is working together—both hardware and software.
8. Courtney Egan: Was on AERC for 2 ½ years- found office staff knowledgeable and capable and partners with us. Urge board to rely on office staff to gather info and identify problems. Listen to their advice.
9. Laura—question for Bruce—assuming we went with FSR—would you need to see platforms first before making recommendations. Does FSR supply on-site office equipment? No. Go incrementally—look at providing minimal equipment and then

- progress from there with FSR. Do an analysis and then provide options. Need to make sure all line items are there to make sure there is no assessment increase.
10. Write in—Pauline—before selecting company –will actions/products vendor provided to other organizations be reviewed? Laura—reviewed and trained on software. [Nic responds that we need to verify that they will do good work for us.
 11. Laura—send proposal from Management Group which sent out to board. Relying on auditor’s suggestion.
4. Market Research Committee—Nic said the committee got a late start and few hiccups; precursor to moving forward with contract; conduct inventory of operations; questions about communications; policies; research of turnkey vendor operations; develop policies –which could inform selection of contractor. Individuals who want to join should reach out to office.
 5. Office Equipment/ IT—Motion by Nic take advantage of Bruce’s offer/seconded by Laura--4 in favor. **ACTION ITEM: GM to set up meeting with Bruce Schwalm to go over technology needs.**

New Business:

1. AERC Appointments—
 - a. evaluate call for candidates; worked with AERC to provide comments; developed an application **ACTION ITEM: Application for AERC candidates to be finalized**
 - b. an opening now... Laura nominates Anita to step in until end of year to serve as 3rd member—Nic second with 4 in favor.
 - c. Nic: Draft call for volunteers long –candidates need to uphold documents (architectural guidelines and covenants) today and role of AERC to enforce. Look at diversifying the committee according to housing types.
 - d. Laura--What is the ideal number and want to get their input. Get the word out to different communities. Board to give feedback by Monday.
2. Annual Meeting Prep—
 - a. send out call for candidate for board of directors— **ACTION ITEM: GM to send out call for candidates; ACTION ITEM: GM will make arrangements with VOTE HOA to conduct virtual election**
 - b. Nic—stay virtual with spike of Covid
 - c. preparation for annual meeting—do virtually and include cost for virtual services for voting Nic/Laura— 3 to 1 with Mark opposed
 - d. Third Wednesday of Nov and 3rd Wednesday of Dec. Separate meeting for Budget— after mailing—for board to vote on it. Look at early December for budget meeting. Should be out of Board by 10/30 and mailed to community by Nov. 30. Work session with board on the budget. Hope to have something on budget by end of week or Monday. Follow up shortly **ACTION ITEM: GM will set up BOD meeting to review budget.**
3. Virtual vs. In-Person Meetings: Board continue virtual meetings—can continue and re-evaluate as necessary.
4. Candidate Forum—
 - a. Bylaws—Nic claims that individuals appointed must run for election at end of that year – ask legal to re-evaluate; previous legal advice but can confirm
 - b. Candidate Forum--Nic establish candidate forum with date to be determined— probably right after first call for candidates—send that out in 2 week between Nov. 15 and Dec. 15—Candidate forum between Nov. 15 and Dec, 15—strict lime limits, virtual, questions submitted in advance; Laura said there should be a list of questions that everyone can answer; Questions that pre-approved; All candidates asked same questions; Public forum—open meeting. Mark and Nic to review questions. 4 in favor. **ACTION ITEM: GM will contact counsel for opinion on term of appointment. ACTION ITEM: GM will schedule Candidate Forum**
5. Updated schedules from Board members for Kristin for scheduling purposes

Adjournment: Motion to adjourn Laura/Mark at 9:04 pm all in favor.

ACTION ITEMS from March Meeting

- 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
- 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 #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**
- 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 #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.** What happened to outstanding checks?

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.
- Determine areas that need asphalt patching and asphaltting in neighborhoods for May/June.
- 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.
- Set up work session to address neighborhood budgets and whether we should be allocating interest to neighborhood reserves

ACTION ITEMS from May Meeting

- Kristin to ask Ben for date stamped copies of CSL motion filings
- Work with Beth from XML to make sure any materials posted on accounts have private information redacted
- Kristin will meet with swim team representatives to check and finalize schedule and to determine when there are lifeguards needed beyond the contract schedule. Contract needs amendment for those dates.

ACTION ITEMS for June Meeting

- Periodically contact community officer to report vehicles parked on Waters Landing Drive.
- Kristin and Laura and look at what want to sweep from Operating Account into interest bearing account.
- Get questions ABOUT EV Charging Stations back to Kristin by next Friday?
- Please provide all information which we have on assigning parking spaces in townhouse communities.
- John and Laura discussed meeting together with AERC to divvy up responsibilities for any policy writing
- Contact independent contractors to help determine concrete and asphalt scope of work
- Follow-up on RBC check
- Set up meeting with Board and Market Research Committee
- Legal Communications Log

ACTION ITEMS for July Meeting

- when will power washing of pool areas be done through RSV.
- Staff should do random inspections of pool and poolhouses
- Return of \$30,000 check from RSV Pools or deduct that from their contract
- Obtaining copies of all swimming pool incident reports and making sure future reports filed with association
- Update insurance policies and premiums with Sonia of FSR so she can check when payments are made. Also get Sonia the policy period.
- Establish policy for Delinquencies/Collections. Needs to put in One Drive
- Summary of WSSC communication on Water leak
- Update Contracts folder with all contract information including licenses for contractors, insurance policies for contractors, and any cost summaries for vendors who do not have contracts
- Make sure all reports from contractors required by contract be placed in One Drive such as landscape contract reports
- Scope of Work for Miracle Maids put in One Drive
- Transfer money from RBC to XML and get documentation in One Drive on all outstanding checks
- Letters from charging station applicants agreeing to tabling applications for EV Charging Stations in One Drive file
- Anita to send updated EV Charging Policy to Kristin
- Make sure that all tabled AERC applications are reflected in minutes of AERC and on the status chart

- Landscape company certificate of insurance and license in One Drive
- put landscape contract reports into One Drive for the past year.
- Fee schedule needs to be put in One Drive
- Looking at other vendors for Handyman work
- Put list to ready community center in one drive.
- put communications from EV Charging applicants waiving 60-day period into the file.
- Kristin gets back to us by next week with cost within 10 days design and cost to do the postcard about AERC. Ask unanimous consent by email and reaffirm at the next meeting.
- Get statement of work or bulleted list of needs and ask vendors how to accomplish this for pool house renovations
- Bathhouse renovations FOR BOTH Pool A and Pool B folder in One Drive within next ten days
- GM requests that Board members indicate when they are NOT available so GM can set up joint Board and Market Research Committee meeting.
- Staff should calendar the deadline for AERC Appeals from each meeting.
- Follow-up with Roger Fons from FSR about what can be implemented that is not outside of contract
- Discussion and Vote on Whether to Record Meetings—Nic
- Discussion about whether there is need for meeting minutes to be condensed pursuant to guidance from MC and CCOC.
- August Meeting—Nic—Funds Reimbursement and Disbursement Standard Operating Procedure

No ACTION ITEMS yet from September Meeting—Kristin took minutes

ACTION ITEMS for October Meeting

- GM prepare September meeting minutes for presentation at next board meeting and post minutes
- Minutes from September have been prepared by Secretary and GM will provide minutes and post them
- Bid specifications and proposals must be drafted by GM and approved by the BOD for renovation of pool houses and for roof replacement..
- Bid specifications and proposals must be drafted by GM and approved by BOD for resurfacing parking lots and restriping parking spaces.
- GM to make sure Counsel receives Indemnification Agreement to review.
- GM should send latest version of Interim EV Charging Station Policy to Counsel.
- Proposal on advertising for staff must be sent to Bod for approval.
- GM to set up meeting with Bruce Schwalm to go over technology needs.
- Application for AERC candidates to be finalized.
- GM to send out call for candidates.
- GM will make arrangements with VOTE HOA to conduct virtual election
- .GM will set up BOD meeting to review budget.
- GM will contact counsel for opinion on term of appointment.
- GM will schedule Candidate Forum