

Minutes of Meeting of the Waters Landing Board of Directors

7 p.m., November 15, 2023, Virtually by Zoom

MINUTES

CALL TO ORDER:

1. Call to Order At 7:03 for first annual meeting script
2. GM does first call—51% required; 21 participants in person and no proxies which does not meet quorum requirement—2nd meeting will be called and all in person 12/2023 and that meeting will be the quorum---Call to Order At 7:03 for first annual meeting script
3. Monthly Board Meeting called to order at 7:05 p.m.

NOTATION OF ATTENDANCE: Full board is in attendance; GM Kristin Czarick; Sonia Iraheta; Sharon Black, AERC Chair in attendance

COMMUNITY MEMBERS IN ATTENDANCE: This list was not provided by the office as of 11/27/23.

APPROVAL OF MINUTES: In 11/15/2023 folder—tabled until next meeting Laura/Mark seconded—all in favor--September 27, 2023 Minutes, October 18, 2023 Minutes—check minutes to see if mislabeled, Hearing Minutes: September 26, 2023 **ACTION ITEM: Approval of minutes for 9/27/23, 10/18/23, and Hearing Minutes 9/26/23**

FINANCIAL REPORT: Sonia Iraheta, First Service Residential

1. Sonia—payment to RSV Pools; payment of 2 invoices authorized to be paid by John, Kristin--- Board members expressed that it was unacceptable that it was paid as there were express directions that it not be paid unless and until the new owners of RSV showed they were entitled to payment which they never did; follow up with counsel; second time this board voted to claw back these funds—Motion to speak with counsel about this issue to claw fund-Nic/Mark seconded. Ther Contract payment belongs to different owner. Accounts receivable stay with the original owners. Motion Amended to write to RSV Pools—pay back amount on invoice May 2021 when did not own RSV Pools. Nic wants accounting for every payment from 2021. Sonia will check payment history from 2021. Kristin complained about conflicting board directions — she said she was given direction from John, but the rest of the board was not notified that it was going to be paid. She said that this happened when we were trying to get caught up on invoices. Kristin said John determined that it was owed-so we paid it. The board wants \$30,000 back from RSV---the fact that badly handled is a different question. Kristin verified that it was due and not paid to a previous owner. Motion to contact counsel for a return of the money — Approved: Anita, Mark, Nic and Laura—opposed. **ACTION ITEM: Contact Attorneys and RSV pool about refund of payment**
2. Delinquency has increased 116 late notices in September—board may want to review collection report from attorney; Ask for report to see if there are particular areas where delinquency increasing; Auditor has raised this issue—to make sure collection policy is reviewed carefully; % is too high; WLA has to ask WTP each time to request a collection report; Quarterly report requested—but not provided; **ACTION ITEM: Get most recent delinquency report from WTP**
3. FSR not been receiving bank statements from RBC—for about 3-4 months; authorization was sent to Kevin to send bank statements; Laura suggested that as soon as it is not operating at loss—liquidate funds and transfer to XML for investment. Laura noted that RBC has been a problem because of missing checks; should be transferred to XML. What is status of transfer over? Kristin sent info to RBC on September 27 and Sonia has still not received anything; coordinating signatures and need forms for signatures. RBC fluctuates and are is accruing some

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small interest. John stated that RBC knows what need to do to protect money—carved off small amount of reserves \$500,000 long term investment with 4-8% at end of investment at time interest was very low. Things have changed and we are looking at other investment opportunities. **ACTION ITEM: Coordinate signatures and forms so FSR receives statements from RBC.**

OPEN FLOOR: (20 minutes total; 1-2 minutes per speaker)

1. Bruce Schwalm: Thank board members for service; he wanted to know how something got paid that was not approved and asked if there were documented procedures. John said he approved the invoice. Asked for board to be increased to 9 members. Kristin said that there have been requests for increasing board—has to be done at annual meeting—trying to work on how to get that on the ballot. Can only be done at annual meeting; Bruce said there has been no movement on taking look at office IT equipment but Kristin said she would get back to him. Laura said that even with property management, we would still own our equipment and have an inventory of equipment. **ACTION ITEM: Take steps to put increase of board size on ballot; ACTION ITEM: GM will coordinate with Bruce Schwalm to do inventory of office equipment.**
2. Kim Schwalm: Curious about FSR management company and what status is. Whether it will increase HOA cost? Have 1 investment advisor—looking to move it over to one advisor. Laura responded that we have had several meetings—started in May that we were understaffed; July to start discussions with FSR for property management in addition to financial management; majority of board voted to engage in negotiations—responded with changes that have been accepted by FSR; trying to get it finalized; 3 on board felt very important that next board have benefit of property management company to help solve host of problems that need to be addressed. Must still vote to send contract to counsel for review. November 27 meeting to have final decision on contract; it is WTP contract and within retainer. Obvious things not happening on schedule; sympathy with less staff; conflicting directions; board try and get resolved as soon as possible. Mark also stated property management particularly of this size have property management companies—too much to stay on top of. Goal is that would not be an increase in assessments. This will not increase our assessments. 7% management fee.
3. Suzanne & Don Wiggins—Going to be 3 positions on board at members meeting—Candidate Qualification Statements—how many submitted by deadline; Kristin responded that 3 positions open (2-3 years—yesterday there were 2 candidates; today there are 5 candidates)—always asked and allowed extra time—always allow extra day or two. Nic—possible on Dec. 20—nominees can be accepted from the floor—meeting adjourn and reconvene. News Ashore publish that extension—have until Thursday to get application in. **ACTION ITEM: Publish extension of time for candidates for board positions to apply in News Ashore**
4. Anna Davis: When board reviewing trash contract—need 3 different bids to evaluate that. From what understand, not evaluated 3 companies for FSR. Nic—only pursuing one contract from one source but fiduciary duty to evaluate companies. The community has not taken survey if we even wanted management company to take over. Not seen it clarified what reason is that not looked at other companies. Nic responded that Market Research Committee established to determine what HOA needs; including assessing what need; inventory of services; inventory of

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equipment, furniture and to research the market—what companies can provide services; and ask each to give proposals—how a contracting process operates. Not been that process. Nic stated that the Board is in violation of fiduciary duties—Nic says this does not make me comfortable. There is no contract—find other contracts to evaluate before approve contract. Mark replied that there might not be anyone in office as of January—temporary help would be abdicating our fiduciary obligation. Laura noted the board discussed need to move forward in May, MRC fell apart; contract has opt out clause; FSR has been our financial manager for many years.

5. Stephen Tise—thank board; question about whether a full service management company would affect our dues; I was on MRC and like Nic I have a lot of experience managing big contracts and sole source contracts which can be done in emergency situations when not have time to do complete market research of available vendors; This association has 26 different budgets; Nic knows that in emergency situations—can do sole source contract without competing. There are limitations on that such as the length of time--1 year—so that office can have support it needs to track our delinquencies and during that time do fuller review of capabilities of other companies. This is not a violation of fiduciary duty—emergency situation 1 year and then compete.

COMMITTEE REPORTS

1. AERC REPORT (Architectural & Environmental Review Committee)—used to have a person who was dedicated to AERC applications—person left and never replaced—need movement--
 - a. November Summary—Sharon Black, standing chair. 12 applications
 - b. Lakeforest—removal of 2 large dead spruce trees with encouragement to replant- Approved
 - c. Logansport- 20428 Sunbright Lane, replace deck rails, floor and facia with Trex Enhance Saddle (brown). –Approved
 - d. Lakeforest-- 13321 Neerwinder Place, install 3 level split rail fence on sides of backyard to match adjoining 3 level split rail fence that the neighbor already has installed. A gate will be added on each side of the house. Approved
 - e. Deepwoods- 13317 Burnt Woods Place, replace left and back of house siding with Premium vinyl dutchlap in the color wicker—Approved
 - f. Deepwoods- 13317 Burnt Woods Place- Replace center picture glass window that is cracked. Decision on colonia (grids) or picture (no grids) will be made based on price. Approved
 - g. Deepwood--13333 Burnt Woods Pl., Replace rotting deck floorboards and stair floorboards with Trex Foggy Wharf (dirty gray) Approved
 - h. Laurelwood Cove--20605 Hazelnut Ct., Solar panels on roof on backside, will not be visible from front of house. Approved after additional questions answered.
 - i. Townes at Waters Edge--14460 Channel Circle, remove chimney and patch current roof flu, fireplace insert installed and vented instead from the back of the home. Approved
 - j. Villages-- 20559 Ameythst Lane, Ground level Trex* (see below) deck in the color gravel path, deck size is 7x9, taking out ½ of planter for deck. 2 steps down from sliders with

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- handrail. Light grey. Around deck and stairs-- with black railing and black aluminum ballisters. Approved
- k. Villages—20559 Amethyst Way- Replace patio pavers and change to sod. Pavers around window well and the HVAC and around storage building and the rest will be sod. Install stone paver walkway and pavers around the HVAC and window wells. Planter box added. Approved
 - l. Manorwoods- 20511 Alderleaf Terrace, Replace with (vinyl or aluminum) siding. Color is going from Pebble (beige) to Herringbone which is a creamlike shade. Approved
 - m. Deepwoods- 13320 Burnt Woods Place, Install White Storm door with silver handle in front of house. All the trim is in white. Approved

GM REPORT

Upcoming Meetings

- 1. 2nd Call Annual Meeting – December 20, 2023, 7:00 p.m.
- 2. Board Candidate Forum – November 29, 2023, 7:00 p.m.
- 3. Contract Review November 27, 2023—public meeting
- 4. Budget – TBD – board and GM are working on the budget--if budget is not ready for January 1, 2024 –2023 budget will roll over
- 5. Upcoming Neighborhood Issues
 - i. Rats – Several Neighborhoods—work with county (rat division) to see what advise; waiting to hear back from code enforcement; MC has law about trash cans; expanding recycling container program may be contributing to this problem primarily in Waterbury North and South; Lakecrest. Probably been 7-12 complaints within 450 units
 - ii. Fall Landscaping/Leaf Removal—1st leaf removal can take up to two weeks to complete the first round; full week before Christmas should be 2nd round.
- 6. Landscaping Contract--Need for RFP to go –landscaping RFP in One Drive; this was from the last round of contracts—this should be in packet and on the agenda for next board to decide. Contract is March-December. Nic-suggests board share comments first. **ACTION ITEM: Board to review existing Landscaping RFP and see if there is a need to revise/amend.**

BOARD REPORT:

- 1. CSL Update, as necessary—trial was supposed to start; reaffirmed a vote in closed session to let counsel proceed to discuss settlement offers; Moved by Mark/Laura seconded—wording of settlement proposal approved but substance of proposal was divided 3 to 2
- 2. Board's Month in Action—spent most of this month on CSL

OLD BUSINESS: (20 minutes)

- 1. EV Indemnification – AERC Request—counsel is busy with CSL—2 Pilot installations upcoming and they will be required to sign indemnification agreement – so pilot can move forward. Board is waiting on attorney. AERC applications have been tabled while this is

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pending—no approval for channeling through the sidewalk. **ACTION ITEM: Follow up with counsel on indemnification agreement.**

2. EV Interim Policy – AERC Request since September 26. This needs to have a meeting; input going into this. Red-lined sections are the areas that need to be addressed. Need to prioritize limited time. Set date down for a meeting because we should be encouraging installation of EVs.

NEW BUSINESS: (15 minutes)

1. Auditor Recommendations – Transfer of Unappropriated Funds and Refunds— At the recommendation of our Auditor, Goldklang Group CPAs, we hereby authorize an inter-equity transfer of \$1,727,274 in unappropriated members’ equity to replacement reserves, leaving a balance of \$303,370 in unappropriated members’ equity. This Transfer shall be effective December 16, 2023. This is done for accounting purposes. Motion—by Laura/Mark—Vote: all four vote yes. Refunds by the financial management company—work with them to obtain refunds for taxes and from Potomac Edison. Need coordinated approach—**ACTION ITEM: Kristin will contact both FSR and Goldklang to coordinate process to obtain refunds from IRS and Potomac Edison.**
2. Laura—motion to send contract with FSR to counsel to review contract with FSR for legal sufficiency and that is within our retainer agreement. Mark said we are understaffed and may have no employees in January. Contract with all edits has inventory of services ; John expressed that there is nothing to protect Kristin—contract is forcing her out. Vote: Anita Moved/Laura seconded —Laura, Anita, Mark Approve; Nic-no, John abstains
3. AERC Committee Requests
 - a. AERC Committee Appointments: Sharon Black, chairperson, is that a call for additional members and the application be put out to the community; have it put on the Waters Landing webpage with a News Ashore announcement. Sharon’s version of application reiterated what the attributes for membership--added line for date moved to Waters Landing and reasons for AERC. Nic put forth a different version which will be sent it to Sharon to review. Try to vote virtually. **ACTION ITEM: Board to determine which version of AERC committee member application to utilize.**
 - b. EV Policy & Indemnification: Sharon asked if the board please finalize the EV policy or let us know next steps? Would like EV committee member on AERC. **ACTION ITEM: GM will follow up with WTP to see status of indemnification review.**
 - c. Maintenance Applications: At an application appeal to the board, it was stated that there should no longer be a category of maintenance applications managed by the office staff. AERC wants direction on this. If this is the case, we should have a memo or directive from the board requiring that all applications need to be reviewed by the AERC Committee. This refers to applications that are updating but making no actual changes to design. The problem is that residents may think they are not making changes when even a color change is considered a change. Defer this until there are more people on the board. Laura asks if the AERC can handle expeditiously-- Sharon says will do this with the new committee. Nic suggested coming up with FAQ so that people know if they have to apply or whether something is actually maintenance. Kristin noted that sometimes someone will call and say

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replacing—but sometimes it is a change of color which is a change. Laura—the use of the term maintenance may be complicating the issue.

4. Amendment to Parking Policy Resolution—need to get materials from Nic--
 - a. Motorcycles—the issue is that residents were cited for putting 2 motorcycles in one space. Office was addressing things in violation letter by parking 2 vehicles in one spot. In 2012, board created parking rules and enforcement. Resolution #2012-03—update of policy from late 1980s created due to predatory towing law. John stated that Parking 2 motorcycles might be something NAC to address. Not Neighborhood committees in every community. Motion: by Nic—Where practical and necessary, 2 vehicles can be within space—seconded by Mark who noted that there is a concern that this is mechanism so someone can reserve spot. Parking policy applies to everyone—need to understand what the reason was for this policy. Issue of parking is broad—including parking along Waters Landing Drive; neighborhoods that would like to have reserve parking. Kristin explained that there is a procedure which usually involves a sticker on the offending vehicle since do not know who owns vehicle—sticker based on complaints usually by communication to the office; Kristin said this incident happened 6 months ago and they contacted us. There has been no violation for months. Board can consider approval of exceptions. Most vehicles that are stickered are inoperable vehicles or have dead tags. Someone once put mopeds there to reserve their spot. Association could consider converting some spaces to compact vehicles. Montgomery County changed rules to allow motorcycle parking. Complaints about motorcycles are that they are used to reserve spots. Policy resolutions expand what is in the Declaration. Mark stated that unintended consequence is to reserve the spot. Call for Vote on motion to allow two motorcycles in one spot: Nic—in favor, Mark and Laura no, Anita abstain to get more information and review the policy. John did not vote. Mark—unintended consequence is to reserve the spot.

ADJOURNMENT: 10:01 Laura/Mark—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—Kristin 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—Kristin 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?

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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
- Bathroom 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 was supposed to take minutes

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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

ACTION ITEMS for November Meeting

- Approval of minutes for 9/27/23, 10/18/23, and Hearing Minutes 9/26/23
- Contact Attorneys and RSV pool about refund of payment
- Get most recent delinquency report from WTP
- Coordinate signatures and forms so FSR receives statements from RBC.
- Take steps to put increase of board size on ballot
- GM will coordinate with Bruce Schwalm to do inventory of office equipment.
- Publish extension of time for candidates for board positions to apply in News Ashore
- Board to review existing Landscaping RFP and see if there is a need to revise/amend.
- Follow up with counsel on indemnification agreement.
- Kristin will contact both FSR and Goldklang to coordinate process to obtain refunds from IRS and Potomac Edison.
- Board to determine which version of AERC committee member application to utilize.