

Sparkling Waters Homeowners Association (SWHA)
Annual Meeting
Sunday, April 12, 2015

Members Represented:

1. Akins
2. Bone
3. Bushelle
4. Gildea
5. Graham
6. Hale
7. Henderlite
8. Lio
9. Nicholson
10. Rogacki/Heise
11. Simpson
12. Styba
13. Totty

By Proxy:

14. Bagnall
15. Day
16. Franks
17. Jennings-Beasley
18. Johnson
19. Manion (2 lots)
20. McLawhorn
21. Montgomery
22. Nation
23. Rak
24. Rodriguez
25. Russo
26. Shaw
27. Spolski
28. Strait

Meeting was called to order by President Barry Graham at 2:10 PM.

1. Homeowner Introductions

Covenants, Restrictions and Reservations (CRR) define a quorum as 51% or 22 of the 42 lots represented. For votes that require a 2/3 majority, 27 lots would be required. With 29 lots represented at this meeting, a 2/3 majority has been successfully obtained.

2. Update on Association Activities

- A. Rules and Regulations (Fine Structure) recorded in the Okaloosa County records. Based on the CRR and Florida Statute 720.305. Also posted to www.sparklingwatershoa.com A fine or suspension may not be imposed without at least 14 days' notice to the person sought to be fined

or suspended and an opportunity for a hearing before a committee of at least three members appointed by the board who are not officers, directors, or employees of the association, or the spouse, parent, child, brother, or sister of an officer, director, or employee.

B. Renewed liability insurance through Harris Insurance Services for 2015.

C. Re-registered SWHA with State of Florida

D. Renewed retainer with Attorney firm, Becker & Poliakoff

E. Updated website and renewed domain name for 3 years.

F. Tax Return: Filed tax return for 2014, IRS Form 1120-H. No taxes owed, as expenses are greater than interest accrued.

G. Neighborhood BBQ--last year's BBQ was a great success. Propose to have another in on a Sunday in mid-October 2015 with an Oktoberfest theme.

H. Landscaping Workday/picnic held on March 28, 2015.

3. Near-Term Activities

A. Landscaping Workday held on March 28, 2015 was successful. Flowering plants replaced/added, retaining wall built on eastern intersection of Radiant Circle and Parish Blvd to prevent flooding of corner flower bed, all beds were weeded, got new mulch and Preen (weed preventer/fertilizer), and loose boards on dock and wetlands boardwalk secured with galvanized nails. Picnic held at noon after the workday to feed hungry volunteers.

B. Re-register SWHA with State of Florida prior to May 1st.

C. Submerged Land Lease Renewal. Initial SLL obtained in July 2010, and expires May 4, 2015. DEP inspected the dock in early March and found it fully compliant. Awaiting renewal package from Dept of State Lands. New SLL will be based on HB13 from 2012, so its term will be 10 years, however there will be a 6% tax on indirect income (slip transfers) after all. The transfer fee is based on DEP's appraised value of the slip, not the actual sales price. Cost will be approximately \$585.00. Cost share is based on square footage of the common areas. SWHA pays 33% of the SLL renewal, slip owners pay 67%. Slip owners maintenance fees are based on power base charge (÷ 11), Lights (÷13), Metered power use per slip, taxes of subtotal of base share + metered use + lights/miscellaneous, water (÷ 10), 67% of SLL renewal fee (÷ 12), and insurance. Links to new SLL statutes that contain language regarding transfer fees will be posted to www.sparklingwatershoa.com

4. Financial Report

See slides 9-14 of the attachment briefed at the April 12th meeting. At time of minutes publication, 38 of 42 lots are current on 2015 dues. There are no more properties in foreclosure. Association recovered all back dues owed via lien settlements as foreclosed properties were sold.

5. Proposed Budget

See slide 14 of the attached briefing presented at the April 12th meeting. Treasurer recommended keeping the road repair allotment at \$10,000 annually, given that road repaving is estimated to be \$150K and we have a combined total of \$88K in the road repair accounts. Roads

are over 17 years old. Given other expenses and allotments, treasurer recommended keeping assessments at \$400 per lot per year.

6. New Business.

- A. Sinking Funds Investments. Proposal is to use Wells Fargo Advisors to not only manage our sinking funds accounts for the road repair and dock repair, but to transfer our bank accounts to Wells Fargo as well. Coastal Community branches at Eglin and Santa Rosa Mall closed, so it is no longer convenient. Transaction Fees-\$6 transaction charge at Wells Fargo. There would be no additional charge for any support other than the \$6 transaction fee. Also will make the job of initiating transactions and managing accounts less of a burden on the treasurer. Use of Wells Fargo for banking simplifies transactions between investment and operating accounts.
- B. Sparkling Waters Phonebook. Florida Statutes have previously allowed homeowners associations to share personal contact information only with written consent of each homeowner. New statute, an amendment to Section 718.111(12), clarifies that an association can publish all owner telephone numbers in a directory and that owners can consent to the publication of other contact information. *“An association may print and distribute to parcel owners a directory containing the name, parcel address, and telephone number of each parcel owner. However, an owner may exclude his or her telephone number from the directory by so requesting in writing to the association.”* Members present elected to pursue both options: a directory with just addresses and phone numbers and a more detailed contact list with other contact information such as email addresses.
- C. SWHA BBQ. Association to sponsor annual neighborhood Barbeque on a Sunday early/mid-October 2015. Details to be announced
- D. Neighborhood Security. Residents are advised to report suspicious activity, including vandals leaving deep tire tracks on private lawns and commons areas, to the Okaloosa County Sheriff non-emergency number, (850) 651-7400.
- E. For safety, dogs are not allowed on the beaches in Okaloosa County per County Ordinance No. 77-19, Section 6. Ordinance 5-25 states it is unlawful for pet owners to fail to dispose of their animal’s waste on any public or private property.
<http://library.municode.com/index.aspx?clientId=11900>
- F. It is the responsibility of property owners to ensure that tenants and buyers receive copies of the Covenants, Restrictions and Reservations and Mooring Facility Rules & Regulations..

8. Voting Issues

- A. John Rogacki made the motion to approve the proposed budget for Sparkling Waters Homeowners Association for April 2015-April 2016. Seconded by Ryan Bone. All voted in favor.
- B. Joan Lio made the motion to approve the use of Wells Fargo Advisors for banking as well as management of sinking funds. Christine Totty seconded. All present voted in favor.
- C. Ellis Akins made the motion that the next annual meeting be April 4, 2016. Easter Sunday is March 27, 2016. Okaloosa County Schools Spring Break is March 21-25, 2016. Sharon Heise seconded. All voted in favor.
- D. Chris Nicholson is moving leaving the Director at Large position vacant. Ellis Akins nominated Ryan Bone for Director at Large. Joan Lio seconded the motion. Chris Nicholson made the

motion that Barry Graham be retained as president, Alicia Graham be retained as secretary/treasurer, and Ryan Bone for Director at Large. Ellis Akins seconded the motion All voted in favor.

9. Next annual meeting is scheduled for Sunday, April 4, 2016 at 2:00PM at 552 Shimmering Lane. President Barry Graham adjourned the 2015 annual meeting at 3:12 PM.

Attachment: Briefing slides presented at April 12, 2015 annual meeting.

Minutes as recorded by:

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Alicia Graham, SWHA Secretary

Approved by:

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Barry Graham, SWHA President