

Sparkling Waters Homeowners Association (SWHA)
Annual Meeting
Sunday, April 3, 2016

Members Represented:

1. Akins
2. Bushelle, Bill & Paula
3. Gildea
4. Graham
5. Hale
6. Henderlite
7. Hoy
8. Jennings-Beasley
9. Lio
10. Manion (2)
11. Styba
12. Totty
13. Whitecotton

By Proxy:

14. Bagnall
15. Bone
16. Cass
17. Franks
18. McLawhorn
19. Montgomery
20. Nation
21. Rak
22. Rodriguez
23. Rogacki & Heise
24. Shaw
25. Spolski
26. Spurling

Meeting was called to order by President Barry Graham at 2:13 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 26 lots represented at this meeting, a 2/3 majority has been successfully obtained.

2. Update on Association Activities

- A. Registered new Submerged Land Lease (SLL) and slip transfer (in conjunction with sale of 583 Radiant Circle) with Okaloosa County Clerk.
- B. President sent letter to county transportation department regarding speeding on Parrish Blvd. County was not supportive of request for speed bumps.

- C. Closed out money market account with Coastal Bank and Trust and established two accounts (a main account and a dock account) with Raymond James Investments.
- D. Renewed liability insurance through Harris Insurance Services for 2015.
- E. Re-registered SWHA with State of Florida
- F. Renewed retainer with Attorney firm, Becker & Poliakoff
- G. Updated website.
- H. Tax Return: Filed tax return for 2015, IRS Form 1120-H. No taxes owed, as expenses are greater than interest accrued, however earnings were highest ever: \$1965 due to part of the accounts being in investment account in 2015. Earnings should be higher in 2016 with all the association sinking funds being in investment accounts (vs money market/savings accounts).
- I. Neighborhood BBQ--last year's BBQ was a great success. Propose to have another in on a Sunday in mid-October 2016 with an Oktoberfest theme.
- J. Landscaping. Workday/picnic scheduled for April 9th at 9AM.

3. Near-Term Activities

- A. Spring Workday to be held on April 9th is required to repair storm damage to community dock as well as spread mulch, weed and replace some plants in the common flower beds. Residents that live near a common bed are asked to help maintain them during the year.
- B. Re-register SWHA with State of Florida prior to May 1st.
- C. Submerged Land Lease Renewal. First SLL obtained in July 2010. Second SLL granted in May 2015, does not expire until May 2025. There is still a 6% tax on indirect income (slip transfers). The transfer fee is based on DEP's appraised value of the slip, not the actual sales price. SWHA has to collect the expected transfer fee at closing to ensure we have the funds to pay DEP come the following May. 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 10-22 of the attachment briefed at the April 3rd meeting. At time of minutes publication, 40 of 42 lots are current on 2016 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 22 of the attached briefing presented at the April 3rd 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 \$109K in the road repair account. Roads are over 18 years old. Given other expenses and allotments, treasurer recommended keeping assessments at \$400 per lot per year.

6. New Business.
- A. 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.
 - B. SWHA BBQ. Association to sponsor annual neighborhood Barbeque on a Sunday early/mid-October 2016. Details to be announced
 - C. 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.
 - D. 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>
 - E. Hazardous Waste Disposal. Location: 80 Ready Ave: FREE Drive Thru Drop-off for local residents every Tuesday thru Saturday from 7am - 3pm, no appointment necessary. For more info: 850-301-2013 or <http://www.co.okaloosa.fl.us/pw/environmental/hazardous-waste>
 - F. Property Boundaries. Individual lots do not extend to road. Please note locations of county/HOA right-of-way. Do not interfere with HOA uses of the right-of-way. Please maintain grass in the right-of-way near your property.
 - G. 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.
 - H. Fran Jennings-Beasley suggested hiring landscapers to maintain common areas. Barry Graham proposed getting estimates and let the BOD decide the level of maintenance that the HOA can afford within the existing budget.
 - I. Joan Lio asked about large piles of palm fronds on Radiant Circle that sat for months. County Waste Mgt finally picked them up. Waste Management will drive by large brush piles. Residents are asked to be persistent in reporting missed pick-ups by calling Waste Management at (850) 862-7141
 - J. Troy Russo asked about whether short term rentals are permitted in Sparkling Waters. BOD took the action to investigate. He also brought up persistent trespassers wanting to fish on the common dock. All residents are reminded that if you sponsor a guest (who is not staying in your house) to use the dock, you must remain with that guest at all times. For resident guests, please drop a BOD member an email/message to let us know that you have overnight guests that may be using the dock to save us and your guest embarrassment.
 - K. Street light in front of McLawhorn’s house (558 Shimmering Lane) is burnt out. SWHA pays Gulf Power a flat fee for the lights whether they work or not. Residents are encouraged to report non-functioning lights to Gulf Power directly at: <http://www.gulfpower.com/business/outdoor->

lighting/streetlightout.cshtml or call Customer Service at **1-800-225-5797** 24 hours — 7 days a week.

8. Voting Issues

- A. Bill Bushelle made a motion to hire a landscaper to do maintenance on common areas within existing budget. Troy Russo seconded. All voted in favor.
- B. Bill Bushelle made the motion to approve the proposed budget for Sparkling Waters Homeowners Association for April 2016-April 2017. Seconded by Troy Russo. All voted in favor.
- C. Lisa Manion made the motion that the next annual meeting be April 2, 2017. Easter Sunday is April 16th, 2017. Okaloosa County Schools Spring Break is March 13-17, 2017. Ellis Akins seconded. All voted in favor.
- D. Barry made the motion that unless anyone wanted to volunteer, that the existing slate of officers (Barry Graham, president, John Totty, vice president, Ryan Bone, Director at Large, Alicia Graham, secretary/treasurer. There were no volunteers. Don Whitecotton seconded the motion. All voted in favor.

9. Next annual meeting is scheduled for Sunday, April 2, 2017 at 2:00PM at 552 Shimmering Lane. President Barry Graham adjourned the 2016 annual meeting at 3:29 PM.

Attachment: Briefing slides presented at April 3, 2016 annual meeting.

Minutes as recorded by:

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Alicia Graham, SWHA Secretary

Approved by:

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Barry Graham, SWHA President