

**Sparkling Waters Homeowners Association (SWHA)  
Annual Meeting  
Sunday, April 6, 2014**

**Members Represented:**

1. Bone
2. Bushelle
3. Day
4. Graham
5. Lio
6. Manion (2 lots)
7. Montgomery
8. Nicholson/Rettig
9. Rogacki/Heise
10. Rodriguez
11. Simpson
12. Totty

**By Proxy:**

13. 1<sup>st</sup> Commercial Bank (2 lots)
14. Akins
15. Bagnall
16. Franks
17. Hammons
18. Jennings-Beasley
19. Johnson
20. Nation
21. Rabb
22. Shaw
23. Spolski
24. Spurling
25. Vellanikaran

Meeting was called to order by President Barry Graham at 2:15 PM.

1. Homeowner Introductions

Covenants, Restrictions and Reservations (CRR) define a quorum as 51% or 22 of the 42 lots represented. However with one lot ineligible to vote, only 21 lots are required for a quorum. For votes that require a 2/3 majority, 27 lots would be required. With 27 lots represented at this meeting, a 2/3 majority has been successfully obtained.

2. Update on Association Activities

- A. Landscaping. Added Crape Myrtles and replaced some plants and mulch in the common flowerbeds in Spring 2013. Will need to replace plants lost during harsh winter and add new mulch in Spring 2014.
- B. Dock Status. Dock workday on February 15, 2014 was a success. All planks were re-nailed, pilings got plastic caps to prevent erosion and birds nesting, hawser lines being used

as hand railing moved to the outside of the pilings to give a wider walkway and “No Diving” sign was replaced. Gov Scott signed HB 13 into law effective July 1, 2012. All transfers that occurred after July 1, 2012 are no longer subject to the 6% fee. All lease fees were reduced and some of our lease fees paid over the last 3 years were refunded. Refund applied towards purchase of new dock piling caps.

- C. Renewed liability insurance through Harris Insurance Services for 2014.
- D. Re-registered SWHA with State of Florida
- E. Renewed retainer with Attorney firm, Becker & Poliakoff
- F. Established a mutual fund account for Road Repairs as the savings account was earning a small fraction of a percent in interest. Account established was for the Lord Abbett Short Duration Income A fund. Expect to earn 4% interest so long as no withdrawals are made for at least a year.
- G. Neighborhood BBQ--last year's BBQ was a great success. Propose to have another in on a Sunday in mid-October 2014 with an Oktoberfest theme.
- H. Tax Return: Filed tax return for 2013, IRS Form 1120-H. No taxes owed, as expenses are greater than interest accrued.

### 3. Near-Term Activities

- A. Website Development. Website is now updated and working again.
- B. Landscaping. Spring workday tentatively scheduled for Saturday, May 3rd. Need to: replace plants lost over the winter, spray poison ivy near gazebo, stain/varnish wetlands overwalk, repair overwalk and gazebo (loose boards, replace gazebo roof shingles). Sparkling Waters sign on west end (in front of Rogacki-Heise property) needs repair.
- C. Overwalk, Gazebo and Dock Repairs. Some boards need replacing. Please report damage to Dockmaster, Chris Lio.
- D. Re-register SWHA with State of Florida

### 4. Financial Report

See slides 9-16 of the attachment briefed at the April 6th meeting. At time of minutes publication, 37 of 42 lots are current on 2014 dues. There are two properties in foreclosure. CRR stipulate that buyers of foreclosed SWHA properties must pay back dues up to a limit specified by Florida Statute 719.108. Banks have sold other foreclosed properties and liens are paid up at closing.

### 5. Proposed Budget

See slide 15 of the attached briefing presented at the April 6th 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 \$77K in the road repair accounts. Roads are over 16 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 vs managing our sinking funds accounts ourselves. Difference between having the investments at Wells

- Fargo or directly: Number of accounts: If we invested multiple accts directly, would have to open an account at each fund. Would be a single account with Wells Fargo. Transaction Fees-\$6 transaction charge at Wells Fargo. There would be no additional charge for any support other than the transaction fee. Also will make the job of initiating transactions and managing accounts less of a burden on the treasurer.
- 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. 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.
  - D. Waiver for personal liability insurance waiver for Board of Directors (BOD). Harris Insurance estimates the minimum cost to be an additional \$500 per year for personal liability insurance on the BOD. Statute 720.303 requires personal liability insurance for BOD members or a waiver approved by a 2/3 majority of association membership.
  - E. SWHA BBQ. Association to sponsor annual neighborhood Barbeque on a Sunday early/mid-October 2014. Details to be announced.
  - F. Board of Directors working on establishing rules document for levying fines for CRR violations. Rules document will be similar to Mooring Facility Rules and Regulations.
  - G. 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.

## 8. Voting Issues

- A. Joan Lio made the motion to approve the proposed budget for Sparkling Waters Homeowners Association for April 2014-April 2015. Seconded by Lisa Manion. All voted in favor.
- B. Bill Bushelle made the motion to approve the personal liability insurance waiver for BOD in accordance with Statute 720.303. Chris Lio seconded. All present voted in favor.
- C. Bill Bushelle made the motion to approve the use of Wells Fargo Advisors for advice on how to invest funds for sinking accounts and to assist in transactions. John Rogacki seconded. All present voted in favor.
- D. John Rogacki made the motion that the next annual meeting be April 12, 2015. Easter Sunday is April 5, 2015. Okaloosa County Schools Spring Break is March 23-27, 2015. Chris Lio seconded. All voted in favor.

E. Bill Bushelle made the motion to nominate the current slate of officer for re-election (Barry Graham for President, John Totty for Vice President, Chris Nicholson for Member at Large, Alicia Graham for Secretary/Treasurer). Lisa Manion seconded. All voted in favor.

F. John Totty nominated Chris Nicholson for the Director at Large position. Christine Totty seconded. All voted in favor.

9. Next annual meeting is scheduled for Sunday, April 12, 2015 at 2:00PM at 552 Shimmering Lane. President Barry Graham adjourned the 2014 annual meeting at 3:30 PM.

Attachment: Briefing slides presented at April 6, 2014 annual meeting.

Minutes as recorded by:

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Alicia Graham, SWHA Secretary

Approved by:

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Barry Graham, SWHA President