Sparkling Waters Homeowners Association

2020 Annual Meeting
April 5th, 2020
Running the Virtual Meeting

- Check-in when you first join
- While someone has the floor, all others muted
  - On-line attendees will be muted by moderator
  - Dial-in only attendees will self mute
- To be recognized
  - On-line attendees will type a chat note
  - Dial-in only attendees will wait for a designated break and for the question: “Does anyone have anything?”
- Voting will be done by roll call
SWHA Annual Meeting Agenda

• COVID-19
• Update on Assoc activities
• Near term activities
• Financial report
• New Business
• CRR Changes
• Voting Issues
• Next meeting
• Boat Slip #10 Lottery
Roll Call

P Akins, Ellis & Alicia -2
P Bonner, Lewis & Barb -1
P Brockmeier, Aaron -2
❑ Broyles, Philip -1
❑ Burroughs, Lloyd & Benvinda -1
❑ Bushelle, Bill & Paula -1
❖ Christensen, Lars -1
❖ Currie, Ronnie -1
❖ Dixon, Alan & Monika -1
❖ Emery, Teresa -1
P Gildea, James & Gaudencia -1
❖ Graham, Barry & Alicia -1
❖ Graham, Randy -1
P Gusoff, Daniel & Samantha -1
❖ Hale, Josh & Eleanor -1
P Hodge, Brian & Susan -1
WA Holifield, JR & Jill -1
❖ Hoy, Neil & Kattie -1
❖ Johnson, Sam & Silinda -1
P Lio, Christopher & Joan -1
WA Manion, Lisa & Michael -2

P = Proxy

P Manning, Tim & Jamie -1
❖ Milliken, Leslie & Ryan -1
P Montgomery, Billy & Cynthia -1
P Nation, Andrew -1
❖ Rodriguez, Moises & Yeidy, M. -1
❖ Russell, Stephanie -1
WA Russo, Troy -2
❖ Saxey, Thomas & Cindy -1
P Shaw, Michael & Helen -1
❖ Smith, Jackie B. -1
❖ Sotomayor, Luis -1
❖ Stinson, John & Suzanne -1
P Styba, Scott & Maria -1
WA Sunderhaus, Mags & Darren -2
❖ Totty, John & Christine -1
P Vellanikaran, Alice -1

Present - _____ of 42
COVID-19

- Some false information being circulated
- Those who are registered on NextDoor.com will get email alerts from the county and FL Dept of Health.
- The Governor has suspended dining-in restaurant facilities, gyms state-wide. County has closed public beaches. Navarre Beach Checkpoint established.
- Urgent need for blood donations. CDC encourages blood donations if you are well: [https://www.oneblood.org/donate-now/](https://www.oneblood.org/donate-now/)
Update on Assoc Activities

- Re-registered SWHA with State of Florida
- Fall Neighborhood BBQ
- Renewed website domain name/JustHost
- Federal tax return
- Renewed retainer with Becker & Poliakoff
- Obtained liability insurance with Auto-Owners Ins.
- Actions on abandoned boat slip #10
- Fall/Spring Work Days – Nov 9th and Apr 4th
- Re-Installed Fishing Light at end of Community Dock
- Rewired dock electrical junction box
- Emergency dock structural repair
Fall/Spring Workdays, Nov 9th / Apr 4th

Boardwalk West

Dock Repairs
Fall/Spring Workdays, Nov 9th / Apr 4th

Parrish Point Garden on Hwy 98

Waterford Estates President offered to add mulch
Road Maintenance Status

• Still need to fill in cracks remaining in road
  – Crack filler available at Home Depot
  – 40 lb Bucket Pothole Patch $31.97
  – Volunteer labor?
Road Cracks Needing Filling
Dock Electrical Box

Shorted out box; 5 of 6 circuits dead. Installed terminal strips, new box, added topside access.
Dock Structural Repair

Beams attached via lag screws; rusted out and failed. Stringers also attached via lag screws and failed. Entire section fell and was resting on water hose. Drilled through beams and bolted through the piling.
Future near term activities

- Re-register SWHA with State of Florida
- Additional boardwalk and dock repair/replacement
- Patch potholes in Radiant and Shimmering
- Replace solar lights on boardwalk
- Hwy 98 project/changes to Parrish intersection
Financial Report

Alicia Graham
Secretary/Treasurer
Previously Estimated Budget
May 2019-April 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative/Attorney Costs</td>
<td>1,686.25</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,600.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,100.00</td>
</tr>
<tr>
<td>Street Maintenance and Repair Fund</td>
<td>10,000.00</td>
</tr>
<tr>
<td>SWHA partial share of Dock costs</td>
<td>300.00</td>
</tr>
<tr>
<td>Improvements</td>
<td>2,500.00</td>
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<tr>
<td>Total</td>
<td>18,186.25</td>
</tr>
</tbody>
</table>

Number of Lots: 42
Average Per Lot assessment: 433.01

26 Lots paid $400 due to credit
33.01 x 42 = 1,386.42 shortfall; covered by
16 x 100.00 = 1,600 dues generated from those without workdays credit
Financial Report

- Assessments/Fees collected
  - 41 accounts paid up through 2019, 1 delinquent account
  - 21 homeowners billed $500 (no workday credit)
  - 18 of 42 lots fully Paid as of April 5\textsuperscript{th}, 2020;
  1:49PM

Financial Report

- Actual Expenses (Apr 19 – Apr 20)
  - Gulf Power (Street Lights) 2,011.94
  - State filing fee 61.25
  - Administrative (postage, recording fees, signs, website) 286.15
  - Attorney Fees 450.00
  - Construction supplies, landscaping, dock photocells, etc. 1,399.75
  - Liability Insurance 1,373.00
  - Common Dock Expenses (SWHA 1/3 Share) plus utilities 274.24
  - Fall BBQ 178.51

- TOTAL EXPENSES: 6,034.84
- Deposit to Investment Acct 10,000.00

Current Balance Checking Acct (xx-xxx-625-0) 11,726.24
Balance Main Ray James Investmnt Acct (3/30/20) 144,463.18
Balance Dock Ray James Investmnt Acct (3/30/20) 20,356.99
Financial Report

• Upcoming expenses (Apr 20-Apr 21)
  – Insurance 1,600.00
  – Filing Fee (due by May 1\textsuperscript{st}) 61.25
  – Utilities (Streetlights and Gazebo) 2,100.00
  – Attorney Retainer (due by Jan 1\textsuperscript{st}) 125.00
  – Administrative 500.00
  – SWHA 1/3 Share of Dock Fees 300.00

• Allocations
  – Improvements 2,500.00
  – Road Repair Investment Account 10,000.00
  – Attorney costs 1,000.00

• Total Projected Expenses/Allocations: $18,186.25
Financial Report

- Beginning Balance: $11,726.24
- CY20 Assessments: $18,900.00
- CY20 Outstanding Dues: $11,200.00
- Delinquent Property Dues/Fees: $1,025.00
- Less Projected Expenses: $4,686.25
- Less Projected Allocations: $13,500.00
- Expected Working Balance: $27,165.24
Road Maint & Repair Fund as of Feb 28, 2020
(Goal-$250K)

Value as of Apr 3, 2020: $146,018.82
## SWHA Proposed Budget
May 2020-April 2021

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<td><strong>Total</strong></td>
<td><strong>18,300.00</strong></td>
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| Number of Lots                                | 42       |
| Average Per Lot assessment                    | 435.71   |

In 2019: 26 Lots paid $400 due to workday credit
1,386.42 shortfall was covered by the 16 lots without workday credit.
In 2020: 21 Lots billed $400; 21 Lots billed $500
Dock Sinking Fund as of Feb 28, 2020 (Goal - $60K)

Value as of Apr 3, 2020: $20,621.49
Common Dock Submerged Land Lease

- Submerged Land Lease (SLL) obtained in July 2010; Construction completed in Oct 2010; SLL renewed on May 4, 2015, good for 10 years until 2025
- Based on square footage of the common areas vs slips, SWHA pays 33% of SLL fees/utilities; slip assignees pay 67%
- Slip Assignees pay for share of liability insurance and utilities
- Separate Dock Account managing docking facility funds
Submerged Land Lease Fees

- In 2016, renewal fee was $585
- In next 7 years, SLL lease fee of ~$1000 discounted to $0. Next renewal due in 2025.
- Total SLL fees are the greater of lease fee or 6% of indirect income

Per Florida Statute 253.0347, HOA must collect fees on any transfers:
  - Florida DEP new estimating method for slips
  - Collect 6% on DEP value for any transfer plus county clerk recording fee (approx $1,333)*

*Transfer fee may be waived if buyer has homestead exemption at time of transfer (s. 196.031)
Boat Slip Fees to be due 5 June

- Maintenance and Repair $200.00
- SLL Renewal Share 0.00
- Insurance 15.39
- $1/10th Water Usage after HOA pays 9.25
- Total $224.64
- Power Flat Fee By Slip
  [$7.12 lights only (x2); $25 without lifts (x4); $30 with lifts (x6) + HOA pays $300 each year]

*Annual Total Dock Power Bill estimated to be $500. Will monitor usage for spikes and reassess the use of a flat fee if needed.
Changes To The Covenants, Restrictions and Reservations (CRR)
Why an Update to the CRR

• The Marketable Record Title Act (MRTA) causes most CRRs to expire after 30 yrs
• Requests to prohibit short-term rental businesses
• Requests to clarify prohibition of large commercial vehicle parking
• Miscellaneous fixes, update, clarifications
MRTA

• In order to maintain CRR, HOA must publish notice here; will reference new CRR here

• Extension must be approved by 2/3 of BoD (done)

• Membership must be notified
Change to CRR for MRTA

• From:

-22. . . until January 1, 2007, at which time said covenants, restrictions and reservations shall be automatically renewed for additional successive periods of ten years, unless by written and recorded agreement of a majority of the record owners on January 1, 2007 and each successive ten year anniversary date thereafter until a decision shall be made to terminate these covenants and restrictions.

• To:

-22. . . until January 1, 2050, at which time said covenants, restrictions and reservations shall be automatically renewed for additional successive periods of thirty years. These covenant, restrictions and reservations may be terminated at any time after January 1, 2007 by written and recorded agreement of a majority of the record owners. To avoid extinguishment of these covenants, restrictions, and reservations under the Florida Marketable Record Title Act, Chapter 712, Florida statutes, the Association shall, prior to the expiration of each thirty year period of effectivity, publish a notice in accordance with §720.3032 of the Florida Statutes to extend the effectivity of the covenants, restrictions, and reservations.
Prohibition of Short-term Rental Business

• Requested by multiple homeowners
• Doesn’t affect periodic homeowner rentals
• Only affects non-residential business
• Para 1. addition:
  1. . . . The term "residential" as used herein shall be held and construed to exclude hospitals, nurseries, duplex houses, businesses offering short term vacation rentals (defined as lease terms of less than 3 months), and apartment houses and . . .

• Para 8. addition:
  8. . . . or nuisance to the neighborhood. No home or home site shall be used for a short term vacation rental business in which the owner is not a resident and lease terms are less than 3 months.
Prohibition of Large Commercial Vehicle Parking

- Requested by multiple homeowners
- Makes prohibition explicit
- Paragraph 11 changes

- junk or other waste, inoperative vehicles, travel trailers, house trailers, large commercial vehicles, or boats shall be stored, kept thrown or dumped on any lot or street in the subdivision or permitted to remain on any such place. No recreational vehicles of a length greater than 20 feet and no boats of length greater than 20 feet shall be stored or kept on any lot within the subdivision unless the same shall be kept and stored in a fully enclosed garage. No boats of any size shall be kept in the front or side yard of any lot within the subdivision and no boats of any size shall be permitted to be stored or kept in the rear of any lot within the subdivision. Large commercial vehicles shall be defined to mean any vehicle used primarily for a business purpose that has either more than four tires or exceeds 20 feet in length.
Other Changes

• Updated building standards to be clearer:
  – dwelling or residence. All houses are to be brick, stucco, fiber cement siding, composite siding, or vinyl siding and the roofs are to have timber line dimensional asphalt shingles, tile, or metal roofing.

• Updated to current Florida DEP Submerged Land Lease references:
  – The Association is a party to that certain Sovereignty Submerged Lands Lease No. 461088341 460345211 with the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, for the period from May 4, 2010 2015 until May 4, 2015 2025 (“Sovereignty Submerged Lands Lease” or “Lease”), including renewals and amendments thereof. The Sovereignty Submerged Lands Lease is recorded in Book 29433202, Page 4603 2764 of the Public Records of Okaloosa County, Florida.

• Fixed miscellaneous typographical and administrative errors.
CRR Change Summary

• Minor changes except for:
  – MRTA
  – Short-term vacation rental business
  – Large commercial vehicle parking

• Marked-up version of the CRR with the changes, and a clean copy of the proposed provided in advance

• Please complete written vote form by Apr 5th
New Business

• Sparkling Waters Phonebook/Email Distro List
  – Require permission in writing to share contact info with other Sparkling Waters members (Florida Title XL, Chapter 718.111).
  – Updated on March 30th to include new members.
  – Only 4 members not participating.

• Fall BBQ—Proposed date: Sunday, October 25th, 2020. Oktoberfest Theme.
New Business (cont)

- Proposed Date for Next Annual Meeting:
  Sunday, April 11th, 2021 (Easter is April 4th; Okaloosa Cty Spring Break is March 12-22nd)

- Open floor
  - Wait to be recognized
  - Once recognized you have the floor
  - Five minute time limit
Reminders

• Responsibilities of Landlords
• Seller’s responsibilities (closing requirements)
• Please report street light outages directly to Gulf Power via their new website: https://www.gulfpower.com/my-account/outage/report
• For safety, dogs are not allowed on the beaches in Okaloosa Cty per Cty Ord No. 77-19, Sect 6. Ord Sec. 5-25:- Public nuisances. (b)It shall be unlawful and a civil infraction for the owner or custodian of an animal to fail to immediately remove and dispose of that animal's waste upon any public or private property.
• Please clean up after your dog, even in county-right-of-way along Parish Blvd. Landlords, remind your tenants.
Reminders – Waste Disposal

- Hazardous Waste: 80 Ready Ave: FREE Drive Thru Drop-off for local residents every Tuesday thru Saturday from 7am - 3pm, no appointment necessary. For more info call: 850-301-2013 or http://www.co.okaloosa.fl.us/pw/environmental/hazardous-waste

- Yard Waste: Brush pick up is Friday. For bulky yard waste pickup (e.g. tree limb piles), call 850 301-2822. Bag or containerize leaves, trimmings, grass clippings and other such materials, NOT to exceed fifty pounds. Stack items that may not fit into a container or bag. Items may not be over 6 feet in length and may not be larger than 4 feet in diameter.


- Bulky Waste: (Appliances, furniture, etc.) Call (850) 862-7141 or (850) 301-2822 to arrange for Wednesday pick-up.

- Regular trash pick up is Wednesday and Saturday. Recycling is Saturday.
Voting Issues

1. Budget
   - On the question of whether to accept the recommended budget and assessment? Retain assessment at $500 per lot per year with the $100 workday (or equivalent) credit?
     - Yes or No

2. CRR Changes
   - On the question of changing the CRR, to prevent CRR expiration in 30 years due to the MRTA, prohibit short-term rental businesses, prohibit parking large commercial vehicles, administrative changes to comply with Submerged Land Lease, clarify building standards, etc.
     - Yes or No
Voting Issues (cont)

3. Officers
   – Officers: Pres; Vice-Pres; Secy/Treasurer; Director

   – Yes or No
Roll Call

P  Akins, Ellis & Alicia-2
P  Bonner, Lewis & Barb-1
P  Brockmeier, Aaron -2
☐  Broyles, Philip -1
☐  Burroughs, Lloyd & Benvinda-1
☐  Bushelle, Bill & Paula-1
☐  Christensen, Lars-1
☐  Currie, Ronnie-1
☐  Dixon, Alan & Monika-1
☐  Emery, Teresa-1
P  Gildea, James & Gaudencia-1
☐  Graham, Barry & Alicia-1
☐  Graham, Randy-1
P  Gusoff, Daniel & Samantha-1
☐  Hale, Josh & Eleanor-1
P  Hodge, Brian & Susan-1
WA  Holifield, JR & Jill-1
☐  Hoy, Neil & Kattie-1
☐  Johnson, Sam & Silinda-1
P  Lio, Christopher & Joan-1
WA  Manion, Lisa & Michael-2

P = Proxy

P  Manning, Tim & Jamie-1
☐  Milliken, Leslie & Ryan-1
P  Montgomery, Billy & Cynthia-1
P  Nation, Andrew-1
☐  Rodriguez, Moises & Yeidy, M.-1
☐  Russell, Stephanie-1
WA  Russo, Troy-2
☐  Saxey, Thomas & Cindy-1
P  Shaw, Michael & Helen-1
☐  Smith, Jackie B.-1
☐  Sotomayor, Luis-1
☐  Stinson, John & Suzanne-1
P  Styba, Scott & Maria-1
WA  Sunderhaus, Mags & Darren-2
☐  Totty, John & Christine-1
P  Vellanikaran, Alice-1

Present - ______ of 42
Plan for Boat Slip # 10

- Slip #10 is available for reassignment
- To be eligible you must: a) be an owner of property within Sparkling Waters, b) not have an existing private dock or boat slip assignment on the community dock; and c) be able to pay $8,228 by cash or certified check for the assignment once awarded within the designated timeframe.
- Lottery planned after Main Meeting adjourns
Awarding Boat Slip #10

• Qualified owners (met criteria, filled out form, paid $2,000):
  – Randall Graham, Lot D-8, only owner who qualified

• Cost: $8,228.00 less $2,000 deposit
  – Boat slip assignment $6,000
  – Boat lift pilings $895
  – Florida DEP transfer fee $1,333

• No lottery necessary since only one owner qualified – Randall Graham is awarded the first opportunity for the assignment
Awarding Boat Slip #10

- Randall Graham has 2 business days to provide additional $6,228.00 and be awarded assignment.
- If he doesn’t meet deadline, the boat slip will be re-opened for an assignment selection process.
Mooring Facility Rules & Regs

1. Annual Slip Fees shall be determined by the Board of Directors, which shall annually estimate the expenses of the Association for the ensuing year, plus any deficit from the preceding year, as well as a reserve for the payment of indebtedness or other corporate purposes.

2. Slip Assignees must be current on all assessments to the Association, including both standard Association annual assessments and Slip Fees, in order to use the Mooring Facility and Boat Slip.

3. The Mooring Facility shall be used only on a non-commercial basis by and for benefit of the authorized Boat Slip users. Authorized users are Slip Assignee, Assignee’s family and accompanied guests, or Assignee’s tenant.

4. Any vessel moored in a Boat Slip must be registered or documented in the name of the authorized Boat Slip user.

5. Boat Slip users must maintain vessel liability insurance on any vessel moored.

6. Live-aboards are prohibited.
Mooring Facility Rules & Regs (cont)

• 7. No boat shall be moored outside of a designated slip.

• 8. All vessels shall be moored in a seamanlike manner with minimum ½ inch nylon dock and spring lines, unless in a boat lift.

• 9. No supplies, equipment, or other items shall be left on the docks. Boat Slip user’s shall ensure the Mooring Facility is clean, and all trash and other refuse is removed after each use.

• 10. All electrical lines from the dock to the boat must be three wired, grounded extension lines designed for marine use. Power and water stanchions will not be used to secure power cords, hoses, etc.

• 11. Boat Slip users shall not use, nor permit others to use the Mooring Facility for any disorderly or unlawful purpose.

• 12. Boat Slip users shall remove vessel from Mooring Facility if directed by the dock master (due to adverse weather/hurricane, required repairs, loss of use privileges, etc).

• 13. Boat Slip users shall require all rules and regulation to be faithfully observed by family, guests, employees, tenants, etc.
Back-ups
Property Boundaries

- Lots do not extend to road
- County/HOA right of way
- Please maintain grass etc
- Do not interfere with HOA uses
Projected Intersection at Hwy 98 (Project Number 220196-2)