

# *Waterside Property Owners Association, INC*

## *Annual Meeting*

Saturday November 7, 2020

10:00 AM-12:00 Noon

Zoom Meeting

The meeting was called to order at 10:05 AM.

Proof of meeting notice was mailed to homeowners on October 21, 2020.

Quorum Achieved for Canal Woods, Single Family Homes, and Townhomes.

Adoption of Agenda: The agenda was adopted with the change to move the election of 2 At-Large board members to the start of New Business. Move and second to adopt; adopted.

Approval of 2019 Minutes: 2019 minutes moved and seconded to be approved without changes: passed.

### **Reports of Officers:**

**President's Report:** Pat Woodring reported:

- Storm Laura: There was damage to some sections of pool fencing that blew down and light fixture was blown down and damaged. Property manager Jennifer Fannin arranged for repairs that were completed quickly. Some trees were lost; Al's Tree Service was on site while the storm was passing clearing debris. Overall, no serious property damage.
- Ocean View Beach Club:
  - Swale: Developers were not initially planning on a swale between OVBC and Waterside. Ocean View Zoning and DNREC required a swale be installed. They reviewed and revised the swale plan and monitored its installation and completion. The swale is in and appears to be working well after recent heavy rains.
  - Privacy Screening: The Board reached out to owners for their input on privacy screening along the OVBC and Waterside property lines. At this time the Board will wait to see what development is done on the OVBC once the land is fully developed. The Board will continue to work with owners moving forward.
  - Construction: Most construction at OVBC has been placed on hold due to the high cost of lumber. It is not cost effective for them to continue at this time. There will be delays in the development of open space areas.
- Tree Stumps and Grinding: Tree stumps in the SFH area will need to be ground down. These were removed due to damage from OVBC removing trees and damaging roots resulting in trees leaning and becoming a hazard.
- Contractor work: Waterside is finding it difficult to get contractors in to do work because of the pandemic.

**Question:** Damage to homes from tree limbs and tress has not been repaired on some homes. **Answer:** Jennifer Fannin will follow up with affected owners.

**Question:** If OVBC is delayed in development of open spaces along property borders with Waterside, why is the Board waiting on privacy fencing? **Answer:** For the time being, the Board will wait to see what is happening. The Board will continue to monitor and communicate with owners.

**Question:** How will the screening be financed? **Answer:** This is still pending; a final determination has not yet been made.

**Question:** Is privacy fencing an Association responsibility? **Answer:** Yes, this would be an Association cost.

**Comment:** Andy Vance (owner) offered to send a demand letter to OVBC for payment for fencing. Owners in attendance agreed. The Board will collaborate with Mr. Vance.

**Treasurer's Report:** Marilyn Booker reported:

- HOA: Overall the HOA is on budget. 80% of the budget has been spent in the 1<sup>st</sup> 10 months. POA: Landscaping moved from Scott & Sons to Ruppert with an increase in cost; resulting in going over budget on landscaping. Issues with trees have been costly.
  - Canal Woods: CW is operating within budget. 90% of the budget spent in 10 months.
  - Single Family Homes: Largest increase in budget spending from power washing and damage to trees.
- Townhomes: Gutter replacement work completed.

**Townhomes Report:** Jackie Hostelley reported:

- Some homes were damaged during the storm, and some personal property was damaged during repairs.
- Sight lines for OVBC is a wait and see.
- Overall the Townhomes are in good shape.

**Question:** Owner shared they are waiting for contractors as there has been water damage in their home. **Answer:** Property Manager Jennifer Fannin shared repairs are supposed to be happening. She will follow up.

**Question:** An owner shared there was a leak in the garage roof. The outside repair was made, however damage not repaired inside. **Answer:** Jennifer will follow through with the contractors for completion.

**Canal Woods Report:** Marilyn Booker reported:

- Rose of Sharon trees were planned to be removed. Some were already removed by owners. The stumps are scheduled to be ground down and debris will be removed.
- Problems with people parking in Canal Woods. The State Police shared we needed No Trespassing signs posted at the entrance to the community. Once those are posted, the community can call the non-emergency number for Delaware State Police for trespassing.

**Single Family Homes Report:** Pat Woodring reported:

- OVBC: Decisions/actions related to OVBC are in a holding pattern. Owners comments and thoughts are welcome regarding the development, especially as there is a delay in construction. Installation of the swale was a positive development. DNREC was instrumental in supporting Waterside and having the swale installed.

**Question:** Were any roofs replaced? **Answer:** None were replaced this year. There is a need to assess the lifespan of the roofs.

**Question:** Why were gutters replaced? **Answer:** Replacement was necessary as the installed gutters were inadequate and did not have guards. There were flooding issues and damage

as a result. Monies were from long term reserves. Planned to spread cost out over a period of time. 3 Homes remain to be done. Waterside is working with a contractor to complete.

**Question:** Owners asked when their roof and siding will be repaired. **Answer:** Jennifer shared some shingles do need to be replaced and siding pieces taken care of. Jennifer will work with the owners directly.

**Question:** Are Long Term Reserves Studies required every so many years? **Answer:** LTR studies must be done every 5 years. DUCOIA determines what must be dedicated to LTR. 15% for Waterside. The study that was completed projected out 40 years. The current projections were made for 5 years to coincide with the study. The 40-year projection would have raised costs to homeowners \$800/year. All entities LTR studies completed will be done again in 5 years.

### **Unfinished Business:**

**Property Management Report:** Jennifer Fannin reported:

- This has been a unique year with many challenges. Thank you to everyone for your patience and understanding as we navigated pool closures, openings and limitations. The pandemic has caused a ripple effect in landscaping, availability of parts for repair, lumber, etc.
- A long-term proposal for landscaping will be presented.
- The light at the pool which blew down in the storm has not yet been replaced. Have not been able to find a replacement at a reasonable cost. We may want to discuss if it needs to be replaced at all.
- The roads in Waterside are the HOA responsibility. The LTR are being rebuilt and we are close to where we should be.

**Question:** would pool lights be replaced with more efficient outdoor LED lights at the pool?

**Answer:** Can certainly consider this an option. Streetlights are being replaced with LED's by the power company as they burn out.

**Question:** Would solar powered LED lights be a consideration? **Answer:** Yes, can certainly be considered.

Note: Jackie Hostalley identified a lighting program and will look into it for Waterside.

**Question:** There are cracks in SFH driveways. When will it be repaired? **Answer:** SFH driveways are limited common element and are owner's responsibility for repair.

**Question:** Can owners get group rated on needed repairs? **Answer:** Yes, this is an option.

**Ad Hoc Committee:** Pat Woodring reported the Ad Hoc Committee was looking into bylaws, postal address, etc. The committee was unable to engage in the work. If the group would like to resume they can ask to reactivate the committee.

- Change of mailing address has been explored before. 80% of owners must be in agreement. Charlie Kopay reported he located rules and regulations on how to change the mailing address to something other than Frankford. Must petition with reasons why, with 80% vote of community and then forward to the Postmaster General. Ocean View has approached Waterside about incorporation into Ocean View in the past. This would result in payment of OV taxes at approximately \$800/home. As unincorporated, we do not pay taxes. Currently, Ocean View would incorporate us, however we would need to repair the roads first. Jennifer shared the roads in Waterside are private community roads are not built to the same standards as public roads.

- Owner Jennifer McNamara volunteered to investigate postal zip code changes.

**New Business:**

**Election for two At-Large Board Positions:** There were no nominations from the floor. Candidates shared their desire to serve on the board. Voting through poll approves both candidates, Rita Perre-Davis and Joe Deardorff.

**HO6 Insurance:** Marilyn Booker reported on HO6 condo insurance covering walls in, personal property, loss of use and personal liability.

*Discussion:* Walls are covered by the master policy. Of note: there is a waiver, required by bylaws, an owner cannot sue a neighbor for damage to their unit. Considering a proposal to require owners to show proof of HO6 insurance annually. Jennifer shared many condo communities mandate copies of HO6 policies be kept on file. Our master policy covers appliances, elevators, flooring, etc. if built with the home. Any additions or alterations made to the unit may not be covered, and owners may need to revisit their HO6 policy to ensure they are covered. There is a \$5,000 deductible.

Article 6 of the by-laws state it shall be required to provide public liability insurance and to furnish copies of insurance to the Association. All owners will be required per our bylaws to provide this information to SeaScape.

**2021 Budget:** Jennifer Fannin shared information of the 4 separate budgets, one for each entity.

- CPA recommended audits be done for a cost of \$9,000. Propose to rotate the audit of entities so one is done each year at a cost of \$3,000.
- Root grinding: Stumps and root grinding needs to be done behind SFHs. AI's Affordable Trees presented a proposal for SFH and grinding roots behind Canal Woods for a total cost of \$2,350. To move forward with landscaping improvements for lawns would need to do this work.
- Community Improvement: major increase including the proposed tree work and landscaping.
- Ponds: Budgeted numbers for fountain maintenance reflects costs for repairs and maintenance.
- Community Improvement: Cypress Tress and Ruppert each have a long term plan. Cypress tress plans the first year to prune trees, greatest cost, then goes down in price from there. Once the roots are done, Ruppert would begin to prepare ground and reseed grass.

**Question:** Will grinding down roots damage tress in the wetlands? Will Waterside be responsible? **Answer:** The arborist has shared this should not affect existing trees.

**Question:** Why are there such large changes in some areas? **Answer:** Jennifer uses the contracts and includes any additional costs. For example, the ponds include cost for flight control and chemicals. Insurance is also a bigger increase. Last year was a 25% increase when previous increases were typically 3-5%.

**Question:** Can the audits be done internally? Would it be helpful to have a finance committee? **Answer:** The Board can consider developing a finance committee to support the board in reviewing budget and do informal internal reviews. Formal reviews must be done by external company to ensure no conflict of interest.

**Discussion:** There was an extensive discussion of several points of concern from owners including the budget, finance committee, and management of property border between Waterside and OVBC.

**Motion, Second and passed to suspend the meeting at 12:32PM.**

December 9, 2020

**The meeting was resumed at 6:31 PM.**

Proof of meeting notice was mailed to homeowners on December  
Quorum Achieved for Canal Woods, Single Family Homes, and Townhomes.

**New Business Continued:**

**Finance Committee:** The Board will establish a finance committee. 6 owners have expressed interest so far. The Board will review applications and move forward with putting the committee in place.

**Ruppert Landscaping Proposal:** the plan is to correct areas with longstanding needs of drainage, growth and overall maintenance not covered in the current lawn care contract. The current budget includes money for this contract.

**Cypress Tree Care Proposal:** 5-year proposal that will be spread out to make it more affordable. Cypress completed an assessment of the entire community at the Board's request. There are many trees in poor condition, especially along Waterside Drive. All trees need to be pruned and there is a need for pest control and fertilization treatments. Annual average cost \$1,000.

**Question:** What exactly is the work the first year with Ruppert? **Answer:** The first year is addition of topsoil and compost, seeding and sodding.

**Question:** Were other bids reviewed? **Answer:** Yes, other proposals were sought and reviewed. These proposals were the most complete and competitive.

**Question:** There are trees dying from parasites and disease. Are the trees being removed dying from parasites and/ or disease? **Answer:** The trees needing to be removed are a result of damage from storms. None are known to need to be removed because of disease/parasites.

The arborist is certified and will do all that is needed for the trees. The arborist, as part of the contract, will complete 3-4 inspections per year.

**Question:** Will French drains be installed? **Answer:** French drains cost \$4,000 each, which the Board considered an exorbitant cost. The plan is to hopefully see an improvement in drainage issues with the work in the earlier years.

**Question:** Owner raised concerns about the quality of work of trimming from Ruppert. Has this been addressed, and why are we asking them to do more work when we are not happy with their current work? **Answer:** Pat and Jennifer have met with Ruppert to share concerns and communicate where improvements are needed. Jennifer will reach out to Ruppert and share this additional feedback.

**Question:** What specifically will be done each year of the Cypress Contract? **Answer:** There will be pruning done to some trees each year. Owners are encouraged to read the mailing of notice of meeting which included details of the contract.

**Question:** What will be done about bare spots on the lawns? **Answer:** Ruppert will begin seeding next year if approved.

**Question:** What is the plan for the property line between Waterside and OVBC? **Answer:** This remains open for discussion and consideration; no decision has been made at this time.

**Question:** If we are not happy with the contracts, can we cancel them? What if we are not happy with the work/service? Do we have a fall back plan? **Answer:** The contracts can be cancelled at any time with 30 days written notice. Cypress trimmed all trees 4-5 years ago with good feedback from the community. Jennifer is familiar with their work and Cypress has a good reputation in the area. Work will be monitored constantly and if needed we can reach out to other vendors. The Board will be monitoring for quality to ensure satisfaction.

**Question:** Where grass won't grow, can owners install rock or stone? Specifically, behind Canal Woods? **Answer:** There has been discussion about CW issue. While a trial of Zoya grass supposedly done, we are not sure if it was tried sufficiently. Ruppert is not mowing in the area. There are deep holes that need to be taken care of as they are dangerous. The Board can consider options including going back to stone. Pine needles have been considered, brief discussion of concerns about pine needles.

Owner suggested developing a landscaping committee to collect and bring owners concerns to the Board. They would serve as a liaison for owners. The Board will consider a landscape committee at its next meeting in January.

**Motion to approve Ruppert long term proposal as presented. Seconded; Vote by poll; motion passed.**

**Motion to approve Cypress Tress long term proposal as presented; seconded; vote by poll; motion passed.**

Note: Rita and Jackie have done a wonderful job landscaping around the pool. The Board and Community thank them for their hard work.

**Budget:** Jennifer reported:

- The revised budget sent to owners in the December notice of meeting includes comments/considerations/discussions at the last meeting.
- The POA will be reviewed in 2021 and other entities will have an internal review completed by the newly formed Finance Committee.
- Waterside received renewal costs for insurance. These are reflected in the updated budget. Quarterly assessments for POA: \$330; SFH: \$824; TH: \$793; CW: \$1004. These increases are directly from insurance increases.
  - The Board met with Waterside insurance agent to understand our renewal rates and options. Waterside is below market value in cost compared to what other area communities pay. Because insurance companies have had losses around the world, the beach communities are hard hit with increases. Waterside policies have a guaranteed full replacement value. Our rates are slowly catching up to the market. There are very few insurance carriers who will insure homes in coastal

areas which limits the ability to shop for policies and prices. We are currently at the best price.

**Question:** What is the 70% increase in pond management? **Answer:** Pond management includes the contract, chemicals, general maintenance and geese flight control. Flight control was not included in the past, and is included this year. No regular routine maintenance done this year, next year 2 fountains will be done which increased the cost along with addition of monofilament and chemical for geese deterrent.

**Question:** There were problems with lights on the fountain, was this part of routine maintenance? **Answer:** Yes.

**Question:** Budgeted money for snow plowing was not used. Can this be applied to this budget? Do we pay taxes on overages in the budget? **Answer:** The money is not reallocated if not used. It remains in the account as an overage. The Board has the option of applying to long term reserves or use for a project. The Finance Committee can also make recommendations for this. We do not pay taxes on overages, nor do we pay taxes on interest on long term reserves as it does not meet the level for taxation.

**Question:** Pool furniture has been upgraded in the past. Some needs to be replaced, are we replacing it? **Answer:** Previous furniture was sling and needed much more maintenance. The current furniture is the mesh and is monitored. There is money if any needs to be repaired/replaced. A larger order would be a capital expenditure. Furniture will be reviewed this year.

**Question:** Can we fund the LTR above the 15% required by DUCOIA? **Answer:** When the developer went bankrupt, there were no long-term reserves deposited into Watersides LTR account. The community began from zero and we have been catching up over the past several years. The costs to fund above the 15% were so extremely high it was beyond what we could reasonably ask owners to pay. Waterside has the highest quarterly fees in the area. There is a great deal of new construction where developers keep fees low to attract buyers, and this impacts buyers looking at Waterside.

**Motion to approve budget as presented; second; vote by poll; passed.**

#### **Other Business/Announcements/Questions**

**Question:** Why was the Ad Hoc Committee disbanded? **Answer:** The committee was disbanded due to inactivity. The committee can be re-established with a request to the Board.

**Question:** is Waterside a condominium or a common interest community? **Answer:** Waterside is a Common Interest Condominium Community. Waterside is a pre-existing Community established prior to the revised updated DUCOIA.

There was general discussion of many topics. If owners have other specific questions, concerns, or suggestions, please send to the Board. The Board welcomes hearing from owners and appreciates feedback and suggestions.

#### **Adjournment**

Motion to adjourn meeting, second; passed.

Meeting Adjourned at 8:09 PM.

Respectfully Submitted,

Deb Rose,  
Secretary