



Falling Waters Semi-Annual Membership Meeting
November 21, 2023
Cross of Christ Church 100 South & County Line Rd.

Morgan called the meeting to order at 6:20 p.m.

Members Present: Morgan Brosch, President- Izabela Bebekoski, Treasurer, Deb Mann Secretary-Mike Berta, Director -Nathan Vis, Legal Counsel-Mario Barcenas and Mike Bottos-both from 1st American Management. Lovie Davis-Vice-President., was present by phone. All the new members of the board had an opportunity to introduce themselves.

Pledge of Allegiance.

Community Update: Mario Barcenas of 1st American Management presented current numbers regarding Lots/homes in Falling Waters. He also requested that residents contact him for observed covenant violations. He also explained he will be forwarding residents a request to update contact information such as e-mail addresses, cell phone numbers, etc.

New Residents: Lovie was not present to give a report of the new residents. Morgan stated that we are forming a “Welcoming Committee” to visit the new residents with a welcoming letter and a small token of our appreciation. They will go back at least 60 to 90 days. She also mentioned that Lovie was head of the Social Committee and asked all present to submit any request or suggestions for social events you would like to see in the neighborhood.

Legal Update: Nathan wished everyone a Happy Thanksgiving. He reflected on the new board members and the efficiency seen in the past few weeks of serving. One of the things the board is dealing with at the present time is the Developmental Status, assessing the situation presently. He also stated that the discussion is ongoing as to whether our Covenants need a revision. There is a committee in the process of considering this and will present their findings as soon as possible. Another item under consideration is the Resolution that was signed 2 years ago between FWA Development and the Board of Directors. That Resolution has now expired, and the board is in dialogue as to what that relationship might look like going forward. Don Plumb asked the question as to whether the community would be apprised of a new Resolution? Nathan explained that as of right now there is no resolution, as it has expired and the current board is assessing whether there may be one, and if not, how do we unwind what was previously agreed to. Craig inquired of Nathan about the first year he was associated with Falling

Waters? He commented he has been associated with the community since 2012, first as Legal Counsel for the Conservancy District so he is quite familiar with the development.

Reserve Study: Mike Berta first congratulated the former board for having the foresight for obtaining this most extensive survey. He indicated that this study reflects what he referred to as a “Needs Assessment” for the community. The Reserve Study was done by an organization called Reserve Advisors from Milwaukee Wisconsin. The cost of the Survey was \$4,000.00. the date was July 7th 2023, and the Board received the results on July 19, 2023. Mike explained to the members present where to find the study. It is on the FWHOA website, under the Members Only section, and under Financials, under the 2023 documents you will find the Reserve study in its totality. The funding plan is there as well. He suggested everyone look at this study to be aware of what will be required by the Homeowners Association in the future. Mike also acknowledged that this survey may have to be repeated in a few years to see if things have changed in our infrastructure and need more attention. He and Mike Bottos outlined the requirements needed in our development and how we will have to fund these. It is strongly recommended that the community be familiarized with this document.

Budget: Izabela has passed out a copy of the proposed budget. She explained that the budget was developed with this reserve study in mind, to prevent special assessments and emergency funding of an unforeseen event. She explained that the Financial Advisory Committee worked on crunching numbers to come up with this budget. Members were recognized, Craig Paden, Nancy Ellis, Mary Lewis, and Dave Cullom and thanked for their hard work. The Board has asked Craig Paden to remain on this committee and at another capacity to audit periodically the records maintained by 1st American Management. A resident inquired about the status of the remaining Financial Advisory Committee if they were still intact. Morgan answered at this time, yes. The board will however be reviewing various Committees if persons are still interested in serving and possibly add to the committees that need more help. More information to follow. Izabela also thanked prior board members for their foresight in establishing the Reserve Study.

The Financial Advisory Committee had recommended that the dues should increase by 10% this year for 2024 to have enough funds available to meet the funding plan put forth in the study. The Board deliberated many factors, the Reserve Study, the downward turn of the economy, inflation, along with the fact that dues had not been increased for several years and we then decided to increase the dues by only 5%. The homeowner dues will now reflect an increase to \$1050.00 instead of \$1,000.00. The lot owners’ dues will increase by 10% to be \$660.00 for 2024. Izabela stated that these increases will allow us to make the necessary contributions to our reserves, we will be a little short of the recommended amount of \$180,000.00. There is a slight difference in the amount mentioned at the top of the budget and the numbers Mario quoted earlier. The

difference is that the budget was prepared several weeks ago, and the community continues to change as people move into homes and more lots are sold.

The Category on the budget labeled "Other" was increased to \$24,000.00 for 2024 based on the prior and current years figures. The intended goal with this budget is to alleviate the possibility of any Special Assessments. A resident inquired what was meant by several years of not raising dues, Izabela answered 3-4 years, the resident stated in his mind it would be 10 years. Another resident inquired if there would be a discount in paying early, as in past years, and yes that will be the case, as Mario would explain. Another resident inquired about cost saving measures the board may be taking to save money on contracts, etc.

Izabela stated that this board was relatively new, only working for a few months together and yes, we're working on ways to cut costs, re-evaluating contracts and confident that we are getting the best value for the work. Nathan added that our biggest costs remain to be snow removal and garbage collection and the Management Company. A resident asked if the entire board voted on any monies to be spent of HOA funds. Izabela answered yes, it is her understanding that we all vote on expenditures by the board. Another question was asked regarding the high costs of snow removal given the mild winter we had. It was explained that they are paid by need, not on a retainer, and the costs include salt.

Another resident claimed that the cost of salt and the amount used was far more than we needed and inquired if we obtained the same company this year. Mark Langbehn answered his question that the company we had last year split up, and the other gentleman who shared the business is now handling it. Mark also mentioned the next quote we received for this was from 1st American gave us the name of a company, however their cost was \$36,000.00 per year and it was a flat contract whether it snowed or not. So, our costs were much better than any we received. Another resident mentioned that it was a combined effort between Nancy Ellis, Mark Langbehn and Dave Cullom to determine when they came out and whether to salt each time. This practice should be determined each time, instead of just coming out. The gentleman who was in touch with these members is the one who will continue this year, so we need to contact him and let him know who to contact.

Another resident asked if we were on top of delinquencies. Nathan answered that he indeed has written demand letters and, in some cases, filed liens. The delinquency rate is far below what it has been. The process was explained that the Board notifies Nathan, he sends the demand letter, after 30 days, he now files a lien. After the said amount is paid in full, the lien will be released. A resident inquired of the increase in the budget for streetlights. Craig Paden explained that the north end streetlights are non-operational or in need of repair. The amount budgeted for 2024 was to repair at least 3 of these lights. There are some lights that do not have electricity running to them yet, so that needs to

be taken care of before lights are repaired/installed. Another resident questioned the Phone/Internet charges. Morgan explained that this includes a maintenance plan for the gates which are controlled by the phone/internet connection. Another resident questioned the lower budget amount(phone/Internet) since we have paid more in years past. Nathan explained that we have recovered some costs due to damage to the gates and therefore offsetting those costs. A resident inquired about the need for a 21.5% increase in the future reserve fund when we are gaining residents and lot owners each day. Nathan explained to meet our future needs, and possible amenities for the development. Nathan also explained HOA Doc. Fees. There has been an increase of \$300.00 for the builders to contribute back to the road fund. There is a transfer fee for anyone selling or buying a home of \$200.00 each from both buyer and seller. Mario will be sending out an e-mail explaining the payment plan options within the next week or two. A resident asked if we pay property taxes. Nathan explained we are a non-profit, and do not pay taxes.

Open forum: A new resident inquired about the Code of Ethics/Code of conduct. Is this a new policy? And has everyone on this current board signed a copy? Morgan and Mike Berta said they have not signed. The resident asked if you could serve on the board if you do not sign it? Nathan explained that 1st American Management presented a form they have used in other communities need to be made aware of and the prior board thought it was a good idea and then implemented it. A few residents voiced their concern that a Board member would not sign it. Morgan mentioned that this would be addressed again at our December Executive Meeting. The board will discuss posting this on the website for all members to view.

Another resident commented that there are volunteers who donate their time and their own funds to the Landscape Committee and Holiday Decorations. They noted that Holiday Decorations are already up, and no Committee members were notified and probably being paid for when there are decorations and lights available. Another resident asked where the current decorations and lights are, which were paid for last year and no volunteers from the past to contribute. Morgan stated that the decoration in the entrance is still a work in process. There is a resident who owns a company and is doing it for us this year. A resident asked "why?" Morgan answered that we pay for this every year, and that it is "our" stuff that she is putting up. Another resident asked who had the lights that were purchased last year from 1st American Management. Mike Bottos said that they stored them for us, and we can certainly have them back. Another resident suggested a list of Committees formed and what they do and have done for comparison. The new board was unaware possibly that this committee existed?

Another resident asked when we were going to vote on the budget. Nathan explained that the budget was voted on and approved by the board, and that we were just presenting it tonight. Nathan commented that volunteerism is wonderful, however

precaution is needed as to insurance liabilities and such. The question becomes how to embrace volunteerism, assure their safety without lawsuits, create continuity of vendors to inform new board members of these resources.

A resident asked if the Board took a vote to have the Holiday Decorations done this year, Deb answered no. Morgan then said yes there was. Deb explained that we were made known that Morgan and Lovie found someone in the neighborhood who is a florist and would be doing it this year, but we (Deb & Izabela) did not take a vote. Mike Berta said he knew about it and agreed, so there is the quorum of the board, but no vote was taken. Another resident asked if there were budget constraints, why do this when volunteers are ready to do it? Morgan stated that she did not know a committee for this existed, and apologized claiming "New Board, sorry" Another resident asked "how" the "new board" got elected. Morgan explained that 2 of the board members resigned and the 2 remaining board members had to come to an agreement to "appoint" new members. In that time, another board member resigned, and remaining board members agreed to ask Mike Berta to serve, and he accepted. These positions will be held until the March 2024 election meeting. A resident wanted confirmation changing the covenants. He understands that to do so it takes 67% of people to vote in favor of these changes. The community will have an opportunity to vote on any changes. This resident also asked about the number of lots owned by builders, and those owned by actual homeowners. This is hard to determine, since that number changes continually. This resident expresses his anger at the behavior of a few people who slandered "good people" and passed a petition to get them removed from the board. Those who had donated so much of their time and effort for this community and then to be slandered is unacceptable. Morgan explained that they weren't forced to resign, they did it on their own, and that the petition was merely to get signatures to call a special meeting to discuss things. Another resident stated that he and another resident went through the community and asked random people what they thought of the current board. These two individuals claim that most people were not happy with them. The prior resident mentioned the fact that he had been to meetings and these newer individuals were never there, and if you have a problem with the board, that I the time you can question them. If they were so unhappy, why did they not attend a meeting to sort things out there? None of these people were at the July 20, 2023, meeting. Morgan stated that the former board was charging fines and fees to residents wrongfully. So, the petition was intended to call a special meeting to submit their issues to the board. Morgan stated that they had every right to come to the meeting and represent themselves, but they chose to resign. Too many ongoing conversations to decipher and put into writing in these minutes. Nathan asked if there were any other questions. A resident would also like to clarify the final count of FWA lots, builder lots, and homeowner lots for a clearer picture of where we stand, if possible, by December. Nathan commented that before every election, 1st

American has provided a listing of every homeowner and lot owner. Another resident inquired if FWA does not pay dues for their lots are they even eligible to vote?

Nathan called for one last question. A resident made the comment that he has lived here for 7 years and never had issues in his backyard. Since Luxor and Viking have been building homes all around him, he is now having flooding issues and wants to know who is responsible for the drainage. Don Plumb answered his question by telling him it is up to every homeowner to make sure the drainage is properly handled. He explained that in the covenants it clearly states that the responsibility lies with the homeowner. If they did not follow the site plan provided, it is not the HOA's responsibility. The resident stated then he can get rid of the excess water any way he wants. Nathan stepped in and commented that the law says that you cannot intentionally aggregate water from your property onto another property. Again, several conversations nothing clear could be written. Nathan suggested hiring a surveyor to inspect the issue.

One more resident made a comment that from this point forward that this current board all work together on issues on spending HOA funds for anything. Working more as a team. Another resident commended the board for their work and volunteering their time. Another resident mentioned the fact that as we continue, we will have more time to work together. It is a new board and still learning. A resident was unaware of an ACC member no longer serving on that committee, they were disappointed that no announcement was made, and wanted to thank him for his time and effort on the ACC Committee. Morgan made a motion to adjourn at 8:33 p.m. Deb seconded vote taken all in favor none opposed, motion carried.