



The Uplands Homeowners Association, Inc.

October 17, 2024

Dear Uplands HOA Homeowners,

Enclosed for your review is the proposed 2025 budget for Uplands Homeowners Association which has been reviewed by the Board of Directors. The budget reflects a 23.5%, or \$41.36 per month increase in the Uplands HOA fees for next year. The single largest reason for this increase is water utility consumption, which has also caused year-end deficits over the past two fiscal years. The monthly fee for Potomac Overlook Condos 3-8 will be increased from \$176.00 to \$217.36 and the monthly fee for Potomac Overlook 9, 9E and 10 will be increased from \$182.00 to \$223.36. The Board will vote on formal adoption of the proposed 2025 budget after hearing comments from homeowners at the next virtual Board meeting which will be held immediately prior to the Annual Meeting on Tuesday, December 3, 2024, at 6:00 pm. Homeowners who wish to participate may do so using the following meeting link or call instructions:

Link: <https://zoom.us/j/2316749465?pwd=Y3BXQTVyZENPMGZzTGvhWTRTWHEydz09>
Dial In: 301-715-8592
Meeting ID: 231 674 9465
Passcode: 312078

1. Uplands Year-End Deficits

Due to underbudgeting for water and sewer expenses, which includes homeowner domestic and irrigation use, the Uplands HOA overspent \$141,000 in 2023 and is projected to overspend \$166,000 in 2024, making the total water over execution \$307,000 through the end of the year. **These over-expenditures give Uplands HOA a negative equity balance projected to be \$245,553 at year-end.**

As the Association expanded, billing by the Washington Suburban Sanitary Commission (“WSSC”) has been intermittent and irregular, resulting in difficulties in accurately predicting community water. This irregular billing contributed to underestimating WSSC expenses in the 2023 and 2024 budgets. We have thoroughly analyzed WSSC billing and believe it has finally stabilized. We are confident we have appropriately budgeted for water and sewer in 2025.

2. Uplands Operating and Replacement Reserves Status

We had to use Replacement and Operating Reserve funds to cover our water and sewer expenses, depleting the combined Reserve account to \$44,725 as of October 10, 2024. The Becht Engineering’s Reserve Study for Uplands HOA, September 20, 2023, using the 5% replacement cost table, **requires the 2024 year-end reserve balance to be \$215,000, leaving the Replacement Reserve balance short \$170,275.** Goldklang Group CPAs, P.C., the Uplands HOA auditor and tax preparer, also informed the Board of a requirement to maintain an Operating Reserve equal to 20% of annual assessments to address unanticipated expenses. **Accordingly, the Operating Reserve balance for 2025 should be \$223,795.** Adequate funding of the reserves in accordance with an independent reserve study is law in the State of Maryland that was passed in 2021. Enclosed is a summary of the 2023 reserve study. [The full reserve study is available by clicking here](#) and on the Uplands HOA website: www.uplandsnh.com

3. Addressing the Depleted Reserves and Negative Equity

In accordance with Article 5, Section 5.6 of the Uplands HOA Declaration of Covenants, Conditions and Restrictions, the Board of Directors has determined that a one-time special assessment of \$415,828 can fully fund the Replacement Reserve, partially fund the Operating Reserve, and eliminate the negative equity balance. Therefore, at the upcoming Board meeting, the Board will formally vote to levy a special assessment on each Potomac Overlook Condominium on a pro-rata basis using the number of units within each respective PO per budget years 2023 and 2024. The assessment will account for unoccupied units (i.e., homes not sold to during that period). **The special assessment will be due on January 31, 2025 and it will be up to each PO Board of Directors to determine the manner in which this special assessment will be paid to Uplands HOA (i.e., paid from existing PO reserves or assessed to individual homeowners).**

4. Relationship between the Uplands HOA and the POs Reserve Studies

The Uplands HOA began reserving for capital replacement in 2023 using an estimated responsibility area before an official reserve study was completed as required by Maryland law by Becht Engineering in September 2023. This reserve study marks the end of a year's long work to delineate lines of responsibility between the Association and the individual POs. **The Uplands Reserve Study sets forth the items and components for which the Association shall reserve, and thus, the POs should not reserve.**

To avoid duplications and gaps in reserves between the Association and the POs, we highly encourage every PO to review the Uplands Reserve Study and adjust their respective capital reserves study, eliminating duplicate funding of the covered items and components. To reiterate, to the extent that Uplands HOA has assumed maintenance responsibilities in its Reserve Study. **The POs should not reserve funds for the same items onward.** This complies with the Maryland law requirements for reserve studies and reserve funding.

5. Major Future Expenditures Requiring Capital Funds

The Uplands HOA recommends the POs maintain reserve funds that have already accumulated to cover emergent capital expenses until the Uplands reserve account is fully funded, projected in 2033. The Uplands Reserve Study calls for repaving a substantial portion of the roadways in the Uplands in Year 10 (dating from 2023), an estimated expenditure of nearly \$800,000. Therefore, Uplands and the POs must maintain sufficient funds to meet the financial obligations associated with this undertaking and others prescribed by the engineer in the Uplands Reserve Study. From 2023 to 2033, the POs will need to maintain the funds reserved to date to pay for interim capital expenditures that may arise in their respective sections – e.g., possible repaving of roadways in the older POs, sidewalk maintenance, and lighting, landscaping, and irrigation replacement.

If you should have any questions or comments regarding the proposed 2025 budget, please feel free to voice them at the upcoming virtual meeting. If you are unable to attend the meeting, please feel free to send your comments to me in writing at sambush@abarisrealty.com. The final, approved budget will be sent to homeowners via email and posted on the HOA's website at: www.uplandsnh.com soon after the Board formally adopts it at the upcoming meeting. On behalf of the Board, I thank you for your attention to this matter and I hope you are all staying safe and well.

Sincerely,



Shireen Ambush, PCAM, CPM
Community Manager

Enclosures

1. Proposed 2025 Budget
2. Reserve Study Chart
3. 2024 Annual Meeting Notice
4. Water Conservation Flyer

		THE UPLANDS HOA					
		PROPOSED 2025 BUDGET					
ACTUAL	ACTUAL		BUDGET	8 MONTHS	12 MONTHS	BUDGET	
2022	2023		2024	ACTUAL	PROJECTION	2025	
		Acct.	Revenues:				
			Members Assessmts.				23.5% Increase
\$ 677,568.00	\$ 839,241.57	41080	HOA Fees	\$ 868,728.00	\$ 563,766.99	\$ 868,728.00	\$ 1,118,976.00
\$ 15,782.50	\$ 13,390.00	41180	Working Capital	\$ 16,380.00	\$ 9,228.00	\$ 16,380.00	\$ 16,752.00
		41400	Late Fees	\$ -	\$ 4,100.80	\$ 4,100.80	\$ -
		41440	Legal Fees	\$ -	\$ -	\$ -	\$ -
	\$ 175.00	41442	Legal Admin Fee	\$ -	\$ -	\$ -	\$ -
		41500	Repairs/Supplies	\$ -	\$ -	\$ -	\$ -
		41560	Miscellaneous Fees	\$ -	\$ 300.00	\$ 300.00	\$ -
		41590	Insurance Deductible	\$ -	\$ -	\$ -	\$ -
		41640	Chap 13/7 Bankruptcy	\$ -	\$ -	\$ -	\$ -
		43510	Bad Debt Recovery	\$ -	\$ -	\$ -	\$ -
\$ 693,350.50	\$ 852,806.57		Total Member Assmts.	\$ 885,108.00	\$ 577,395.79	\$ 889,508.80	\$ 1,135,728.00
			Other Revenues:				
\$ 540.51	\$ 3,741.07	43030	Interest	\$ 5,500.00	\$ 1,307.63	\$ 1,961.45	\$ 2,000.00
\$ 2,500.00	\$ 2,500.00	43970	Developer Wall Contribution	\$ 2,500.00	\$ -	\$ -	\$ 2,500.00
\$ 3,040.51	\$ 6,241.07		Total Other Revenue	\$ 8,000.00	\$ 1,307.63	\$ 1,961.45	\$ 4,500.00
\$ 696,391.01	\$ 859,047.64		TOTAL REVENUES:	\$ 893,108.00	\$ 578,703.42	\$ 891,470.25	\$ 1,140,228.00
			Expenses:				
			Administrative				
\$ 33,393.36	\$ 38,000.04	50020	Management Fees	\$ 60,000.00	\$ 40,000.00	\$ 60,000.00	\$ 61,800.00
\$ -	\$ 175.00	50032	Legal Admin	\$ -	\$ -	\$ -	\$ -
\$ 8,978.15		50040	Legal	\$ 2,000.00	\$ -	\$ -	\$ 1,000.00
		50051	Corporate Transparency Act Fee	\$ -	\$ -	\$ -	\$ 500.00
\$ 1,650.00	\$ 750.00	50060	Tax Preparation	\$ 750.00	\$ 600.00	\$ 600.00	\$ 1,000.00
\$ -	\$ 1,972.15	50120	Postage/Printing	\$ -	\$ -	\$ -	\$ 1,500.00
\$ 5,292.01	\$ 321.16	50130	Postage	\$ 1,500.00	\$ 2,750.51	\$ 3,126.00	\$ -
\$ 942.42	\$ 172.80	50140	Printing	\$ -	\$ -	\$ -	\$ -
	\$ 2,000.00	50190	Community Inspections	\$ 8,000.00	\$ 2,000.00	\$ 2,000.00	\$ 1,000.00
\$ 35.00		50380	Bank Charges	\$ 100.00	\$ -	\$ -	\$ 100.00
\$ -		50440	Committee Exp	\$ 300.00	\$ -	\$ -	\$ -
\$ 400.00		50460	Minutes	\$ -	\$ -	\$ -	\$ -
\$ -		50620	Reserve Study	\$ -	\$ -	\$ -	\$ -
\$ 2,337.06	\$ 965.00	50710	Community Social Activities	\$ -	\$ -	\$ -	\$ 2,000.00
\$ 623.78	\$ 5,993.66	50830	Website	\$ 3,000.00	\$ 704.00	\$ 1,000.00	\$ 1,000.00
\$ -		50980	Miscellaneous	\$ 928.00	\$ 1,357.75	\$ 1,590.00	\$ 2,479.00
\$ 53,651.78	\$ 50,349.81		Total Administrative	\$ 76,578.00	\$ 47,412.26	\$ 68,316.00	\$ 72,379.00
			Utilities:				
\$ 17,858.93	\$ 19,082.56	51020	Electricity	\$ 22,600.00	\$ 9,015.48	\$ 12,415.89	\$ 14,000.00
\$ 282,965.71	\$ 490,939.24	51080	Water/Sewer	\$ 350,000.00	\$ 341,511.86	\$ 516,000.00	\$ 568,000.00
\$ 300,824.64	\$ 510,021.80		Total Utilities	\$ 372,600.00	\$ 350,527.34	\$ 528,415.89	\$ 582,000.00
			Contracted Services:				
\$ 102,831.99	\$ 111,922.71	52020	Trash	\$ 120,000.00	\$ 91,623.12	\$ 113,208.99	\$ 121,941.00
\$ 69,798.05	\$ 85,486.82	52040	Grounds/Landscaping	\$ 99,360.00	\$ 65,252.50	\$ 99,360.00	\$ 120,500.00
	\$ 3,127.02	52060	Exterminating	\$ 1,000.00	\$ 1,153.00	\$ 1,403.00	\$ 1,200.00
\$ 36,335.00	\$ 525.00	52320	Snow Removal	\$ 37,000.00	\$ 32,292.50	\$ 41,543.00	\$ 37,000.00
\$ 2,073.89	\$ 3,688.15	52971	Dog Station	\$ 7,000.00	\$ 11,015.07	\$ 12,765.00	\$ 8,307.00
\$ 211,038.93	\$ 204,749.70		Total Contracted Serv.	\$ 264,360.00	\$ 201,336.19	\$ 268,279.99	\$ 288,948.00
			Maintenance:				
\$ 7,335.05	\$ 7,832.40	53240	Lighting Maintenance	\$ 12,000.00	\$ 6,674.60	\$ 10,812.00	\$ 3,000.00
		53260	Landscape Maintenance	\$ -	\$ -	\$ -	\$ 3,000.00
\$ 39,346.99	\$ 50,172.89	53310	Irrigation	\$ 60,000.00	\$ 15,537.47	\$ 60,000.00	\$ 70,000.00
\$ 100.00		53340	Bulk Trash Pick up	\$ 800.00	\$ -	\$ -	\$ -
\$ 843.90	\$ 11,250.00	53420	General Repairs	\$ 2,500.00	\$ 1,745.00	\$ 2,370.00	\$ 2,500.00
\$ -	\$ 14,950.00	53460	Painting	\$ 4,500.00	\$ -	\$ -	\$ 500.00
\$ -		53560	Concrete	\$ 2,600.00	\$ -	\$ -	\$ 2,600.00
\$ 2,946.27		53660	Common area outdoor furniture	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00
\$ 50,572.21	\$ 84,205.29		Total Maintenance	\$ 84,400.00	\$ 23,957.07	\$ 73,182.00	\$ 83,600.00
			Ins., Taxes, Licenses:				
\$ 6,828.23	\$ 7,436.50	59100	Insur. - Master Policy	\$ 7,000.00	\$ 5,519.00	\$ 7,800.00	\$ 9,100.00
\$ -		59300	Taxes - Corp. Inc. Tax	\$ -	\$ 2,340.00	\$ 2,340.00	\$ 600.00
\$ -	\$ 257.28	59400	Taxes - Real Estate	\$ 150.00	\$ 123.48	\$ 123.48	\$ 2,500.00
\$ 6,828.23	\$ 7,693.78		Total Taxes & Insur.	\$ 7,150.00	\$ 7,982.48	\$ 10,263.48	\$ 12,200.00
			Replacement Reserv.				
\$ 15,782.50		61000	Capital Contribution	\$ -	\$ -	\$ -	\$ -
\$ 17,510.00	\$ 14,244.06	63020	Operating Res.	\$ -	\$ -	\$ -	\$ -
\$ 37,603.00	\$ 53,000.00	63110	Rep. Reserves - General	\$ 78,020.00	\$ 32,510.00	\$ 78,020.00	\$ 90,661.00
\$ 540.51	\$ 3,741.07	63120	Reserve Interest	\$ -	\$ 1,307.63	\$ 1,961.45	\$ -
\$ 3,944.00	\$ 10,000.00	63540	Phase 2, CA Walls	\$ 10,000.00	\$ 4,165.00	\$ 10,000.00	\$ 10,440.00
\$ 75,380.01	\$ 80,985.13		Total Repl. Reserves	\$ 88,020.00	\$ 37,982.63	\$ 89,981.45	\$ 101,101.00
\$ 698,295.80	\$ 938,005.51		TOTAL EXP. & RES.	\$ 893,108.00	\$ 669,197.97	\$ 1,038,438.81	\$ 1,140,228.00
\$ (1,904.79)	\$ (78,957.87)		NET INCOME/(LOSS)	\$ -	\$ (90,494.55)	\$ (146,968.56)	\$ 0.00
			2024 Assessments				
\$ 176.00	\$ 217.36	per month	PO 3 - 8, Less 7 New	280	\$ 730,329.60		
\$ 182.00	\$ 223.36	per month	PO 7 New, 9, 9E, 10 (2024)	133	\$ 356,482.56		
\$ 182.00	\$ 223.36	per month	PO 7 New, 9, 9E, 10 (2025)	12	\$ 32,163.84		
2025 Increase	\$ 41.36	2025	Total Units using a rolling average	425	\$ 1,118,976.00		
2025 Percent Increase	23.50%		2025 Projected Total Units	438			



BUILDING TECHNOLOGIES

Reserve Fund Scenario

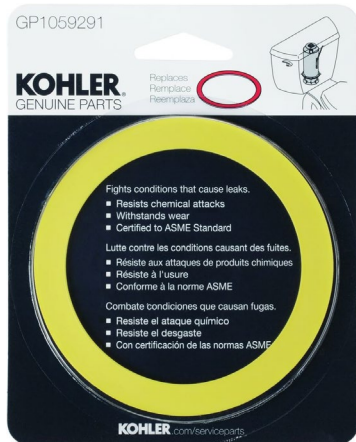
Project Name:	The Uplands Homeowners Association/ Potomac Overlook	Calculation Method:	5% of Rep. Cost
Project Location:	Fort Washington, Maryland	Minimum Balance:	\$72,256
Project Number:	23-0089	Interest Rate:	1.00%
Date of Study:	September 2023	Inflation Rate:	3.00%
Month Contributions Commence:	January 2024		

Year	Opening Balance	Annual Contribution	Contribution Adjustment	Disbursements	Earned Interest	Closing Balance
2024	\$124,646	\$88,020	\$0	\$0	\$1,723	\$214,389
2025	\$214,389	\$90,661	\$0	\$10,300	\$2,635	\$297,385
2026	\$297,385	\$93,381	\$0	\$10,609	\$3,480	\$383,637
2027	\$383,637	\$96,182	\$0	\$10,927	\$4,357	\$473,249
2028	\$473,249	\$99,067	\$0	\$11,255	\$5,269	\$566,330
2029	\$566,330	\$102,039	\$0	\$11,593	\$6,216	\$662,992
2030	\$662,992	\$105,100	\$0	\$11,941	\$7,199	\$763,350
2031	\$763,350	\$108,253	\$0	\$12,299	\$8,220	\$867,524
2032	\$867,524	\$111,501	\$0	\$12,668	\$9,279	\$975,636
2033	\$975,636	\$114,846	\$0	\$13,048	\$10,378	\$1,087,812
2034	\$1,087,812	\$118,291	\$0	\$1,098,351	\$11,519	\$119,271
2035	\$119,271	\$121,840	\$0	\$13,842	\$1,853	\$229,122
2036	\$229,122	\$125,495	\$0	\$14,258	\$2,971	\$343,330
2037	\$343,330	\$129,260	\$0	\$14,685	\$4,133	\$462,038
2038	\$462,038	\$133,138	\$0	\$15,126	\$5,342	\$585,392
2039	\$585,392	\$137,132	\$0	\$111,395	\$6,597	\$617,726
2040	\$617,726	\$141,246	\$0	\$16,047	\$6,942	\$749,867
2041	\$749,867	\$145,483	\$0	\$16,528	\$8,287	\$887,109
2042	\$887,109	\$149,847	\$0	\$45,114	\$9,683	\$1,001,525
2043	\$1,001,525	\$154,342	\$0	\$17,535	\$10,851	\$1,149,183
2044	\$1,149,183	\$158,972	\$0	\$779,604	\$12,353	\$540,904
2045	\$540,904	\$163,741	\$0	\$18,603	\$6,296	\$692,338
2046	\$692,338	\$168,653	\$0	\$19,161	\$7,837	\$849,667
2047	\$849,667	\$173,713	\$0	\$19,736	\$9,438	\$1,013,082
2048	\$1,013,082	\$178,924	\$0	\$20,328	\$11,100	\$1,182,778
2049	\$1,182,778	\$184,292	\$0	\$52,344	\$12,826	\$1,327,552
2050	\$1,327,552	\$189,821	\$0	\$21,566	\$14,304	\$1,510,111
2051	\$1,510,111	\$195,516	\$0	\$329,195	\$16,160	\$1,392,592
2052	\$1,392,592	\$201,381	\$0	\$22,879	\$15,017	\$1,586,111
2053	\$1,586,111	\$207,422	\$0	\$23,566	\$16,985	\$1,786,952
2054	\$1,786,952	\$213,645	\$0	\$1,947,334	\$19,027	\$72,290

Water is the single largest expense at the Uplands HOA, with residential water accounting for two-thirds of the total use, estimated at \$75 per home monthly!

A running toilet can waste as much as \$10,000 annually. For less than \$10 a new seal may stop the leak. Check your toilet model, confirm the correct seal, or consult a plumber.

PEPCO offers free energy and water efficiency checkups every five years. <https://homeenergysavings.pepco.com/md/residential/quick-home-energy-check-up-program>



Help save water to prevent future HOA fee increases!

wsscwater / **THE COST OF A TOILET LEAK**
DELIVERING THE ESSENTIAL

Toilet leaks are the leading cause of high water bills. As you can see below, the numbers add up quickly, no matter how small or large the leak. Visit wsscwater.com/leaks to learn more.

 Small Leak Additional 100 gallons per day = Estimated \$380 on top of your normal bill	 Medium Leak Additional 2,000 gallons per day = Estimated \$4,780 on top of your normal bill	 Large Leak Additional 4,000 gallons per day = Estimated \$9,560 on top of your normal bill
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How Much Water Do You Use?

#drops2gallons

