



P.O. Box 9365, Kalispell, MT 59904

Waterside Condominium Owners Association

To: Waterside Owners

September 14, 2020

From: Waterside Condominium Association Board

Subject: Recent Board Meeting and Increase in Waterside COA Fees

In our last communication to the owners in May of this year, we reported that the Board had approved a \$50/month increase in owners fees to fund anticipated capital expenses going forward, especially necessary repainting of the buildings. We also stated that the increase had been deferred because of financial uncertainties some may be experiencing because of the COVID situation. At the Board's recent meeting on September 8, it approved implementing the increase beginning in October. Therefore the invoice you receive next month will reflect the increase of \$50/month.

The Board took this action because of perceived urgency in addressing the Association's reserve position given the anticipated expenses going forward. We are obtaining bids to begin repainting the Waterside buildings over a period of several years, beginning in the spring of 2021 on Building 1, the oldest building in the complex at 16 years. In general, as the property ages the Board anticipates higher maintenance spending on such things as roofs, spa, paved surfaces, landscaping and fencing in addition to painting. Attached is an updated reserve projection showing that even with a \$50/month increase, our reserve position will be challenged, particularly over the next five years. The Board will make every effort to stay within the budget going forward by managing the timing of expenses in an appropriate manner.

We also discussed at the September 8 meeting all of the comments received on the ballots mailed in. Thank you to those of you who took the time to make comments. Please see the minutes, emailed out a few days ago and also posted on the watersidemt.com website, for a summary of the Board's response. For a more detailed response, I and other Board members are available to discuss.

Those of you who saw the minutes will have noted that we have a new Board member as a result of the election, Todd Murphy. Also, Cindy Lewis recently joined the Board, appointed to replace Cindy Dean who chose to resign due to work commitments. Welcome Todd and Cindy! Thanks to Steve Halsey for his years of service on the Board, and also to Cindy Dean for her service.

Finally, the Board and Property Manager are committed to improving our communication with the owners. One way to do that is to provide periodic updates, or even issue-specific communications as necessary. The most efficient and quickest way to do that is by email, but our Property Manager does not have a complete and accurate email database. If you have not provided an email address to the Property Manager, or if it has recently changed, could you provide your email address to dawn@westernmountains.com. As an example, if you did not receive an email with the latest Board meeting minutes from David Roberts last week on Sept 9, he does not have your current email address.

Sincerely,
Jack Jenkins (For the Waterside Condominium Association Board)

Waterside Reserve Projection - With HOA Dues Increase

PROJECT	Cycle	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PAINTING																	
Building 1			\$75,000														
Building 2				\$100,000													
Building 4					\$100,000												
Building 3						\$100,000											
Garages & other							\$100,000										
Staining														\$25,000			
ROOFS																	
Building 1			\$45,000										\$45,000				
Building 2			\$45,000											\$45,000			
Building 3			\$60,000												\$60,000		
Building 4 and garages			\$60,000													\$60,000	
SPA AREAS																	
Pool house			\$5,000						\$5,000								
Resurface spa w/ tile and coping			\$9,000					\$9,000									
Rebuild waterfalls			\$15,000					\$15,000									
Replace heaters and pumps			\$20,000							\$20,000							
GROUNDS																	
Resurface parking area		\$5,000			\$10,000							\$60,000					
Landscape plants and trees		\$20,000								\$10,000				\$10,000			
Fencing		\$15,000	\$5,000				\$5,000								\$5,000		
Stairway lighting		\$12,000															
TOTAL EXPENSE		\$881,000															
Total Annual Expense		\$17,000	\$80,000	\$100,000	\$110,000	\$100,000	\$105,000	\$9,000	\$5,000	\$25,000	\$25,000	\$60,000	\$45,000	\$55,000	\$90,000	\$60,000	\$0
Beginning Reserve		\$130,000	\$123,000	\$112,000	\$81,000	\$40,000	\$9,000	-\$27,000	\$33,000	\$97,000	\$141,000	\$185,000	\$194,000	\$218,000	\$232,000	\$211,000	\$220,000
Annual Reserve Contribution		\$10,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000
Balance		\$123,000	\$112,000	\$81,000	\$40,000	\$9,000	-\$27,000	\$33,000	\$97,000	\$141,000	\$185,000	\$194,000	\$218,000	\$232,000	\$211,000	\$220,000	\$289,000
Reserve Contribution Assumption - 15% increase in HOA dues Oct 2020 (\$50/mo increase)																	