

May 11, 2023

To: Waterside Owners

From: Your Board of Directors

There has been a lot of activity over the past several months regarding Waterside governance and finances that the Board wanted to communicate to you all. This is a summary of what has been going on – there is more detail posted on the watersidemt.com website in the form of Board meeting minutes from the four meetings the Board has had so far this year.

### **Board Matters**

Arron Simmons informed the Board at its March 16 meeting that he would no longer be able to perform the duties of Chairman due to his work commitments. The Board elected Jack Jenkins to assume the Chairman role until the Annual Meeting which is scheduled for Saturday, August 12. At that time, three of the Board positions will be up for election as their two-year term expires. One Board member has expressed an interest in re-election, and two plan to step down. Anyone interested in being elected to the Board at the Annual Meeting should let one of the Board members know, or contact David Roberts.

The August 12 Annual Meeting is scheduled to start at 10:00 am at the QRU Building in Lakeside. The Board is planning to have a coffee/pastry social prior to the meeting starting at 9:00 am.

### **Spa**

Most of you are aware that after discussion at last year's Annual Meeting, a Spa Committee was formed to define and analyze alternatives for the spa, brought on by trespassing and rule-breaking issues. The Spa Committee spent several months identifying and quantifying the cost of several alternatives. You are encouraged to read the Committee's report which is attached to this communication. The Spa Committee, led by Steven Collins, did an excellent job which the Board appreciates very much.

The Board would like to implement the Spa Committee's recommendations, and believes that Phases 1 & 2 suggested by the Committee would be needed to secure the spa. This involves permanently shutting the gate by the pool house and replacing the lock on the other gate with a smart lock which can track users and be locked to all users at chosen times, installing wi-fi enabled cameras at the spa and other locations around Waterside to discourage trespassers, and upgrading the fence around the spa to make it more difficult to scale. The Board is close to having final bids on the smart lock and cameras, but the fence will require more work to define what will be done and to get owner input and costs.

Because of these implementation delays, the Board has decided to take some interim measures to assure spa security for this upcoming summer season. First, the spa will open later than usual, around June 15. Second, the Board has decided to hire a security guard nightly for the

period July 1 to Labor Day. This is not viewed as a long-term solution unless the owners express a preference for that.

### **Other Projects**

Painting of Building 4 is proceeding now, projected to be done by mid-June. Three of the four Waterside buildings will have been painted when this year's work is done, enabled by great owner cooperation with the special assessment implemented last year.

An unanticipated project and expense arose due to regulatory requirements related to our propane system. The Montana Public Service Commission is requiring us to replace our pressure relief valve on the main propane tank which requires draining the tank. This is a labor-intensive operation, and the service provider is proposing to replace other equipment at the same time (regulators, etc.) which will save money in the long run. The work is planned to be done over the next few months, finalized by late June, for a cost of \$43,364.

The Board also discussed a proposal to repair the outer dock of the marina, where it is becoming increasingly difficult to secure deck boards to the underlying structure due to dry rot. The \$19,000 proposal to repair the structure was approved, but according to Waterside's Declaration of Condominium must be paid by assessing the boat slip owners 85% of the costs and others 15% of the costs. Subsequent to the meeting, the Property Manager was informed that the contractor who made the bid is retiring, so the project will be deferred for now.

Other upgrades include rebuilding the swim dock last fall which had been falling into disrepair, and ordering a new swim island that should be in place for this summer.

### **Financial Implications**

Increased spending for painting Building 3, replacing propane system valves and regulators, spa security and increases in operating costs have led to a lower reserves projection. The Board will evaluate alternatives going forward to maintain adequate reserves including deferring non-critical projects and raising association dues. It is the Board's goal to present a more detailed analysis of Waterside's financial condition at the Annual Meeting in August.

### **Other Items**

Due to increased security concerns around Waterside over the past year or so, owners are encouraged to consider adding ring/nest doorbells and courtyard-facing cameras. Also, bird abatement is an on-going concern so the addition of bird-abatement options (owls, spinning "eyes", etc.) is encouraged. Finally, if you haven't replaced hot water tanks, the board recommends replacement ASAP as there have been a number of damaging leaks. Please bring any other maintenance concerns to the Board's attention.