

Minutes—July 13 2019, Water Upgrade Meeting

Condominium Corporation No. 882 0814 www.birchwoodcountrycondo.com

(Draft for review & approval)

Greg Jansen called the owner's information meeting to order at 10:06 am at the Village Golf Course in JLR's Pool room. There were approximately 100 plus owners in attendance as well as Pat Fisher from Minnow Engineering, Division 5 County Councilor Anthony Heinrich and Jocelyn Whaley CAO from Brazeau County.

Greg Jansen explained that there were going to be three presentations for the meeting in the order of Minnow Engineering, Brazeau County and then the Board. Greg Jansen asked that all questions be left to after the presentation and to please not duplicate questions.

Pat Fisher P.Eng. of Minnow Engineering provided a slide show presentation explaining the options outlined in the Draft Executive Summary which can be located on the Birchwood County Condo website. He provided an overview of the community water system and what is required in the upgrade and the reasons behind the upgrade being necessary. All well houses are currently too small to house the necessary equipment to adequately chlorinate the water to the new Alberta Environment standards. He provided outlines and estimated costs associated with each option. Pat Fishers talked about other more expensive options including UV Disinfection and combining 3 well houses to 1 well house by drilling underground to join the water lines. Drilling work would be extremely risky due to the sandstone and geography of the community. All of the options and estimates are based on his best guess and could be significantly different once construction begins.

Questions for Pat Fisher, P. Eng

Answered by Pat Fisher from the questions provided before the meeting were as followed:

- Can there be a self-contained maintenance free building provided to house the water treatment facilities? This can be done but in Pat Fishers opinion this will not be useful here in this community.
- Does the current distribution system have sufficient capacity to support the residents' water consumption demand? Pat Fisher did not have any answers to this question as there has not been a study showing what the requirement would be. There are no pressure issues currently meaning that the system now is sufficient to the community. This upgrade proposal does not include future growth in the community.
- Do the proposed water treatment facilities need to conform to County Land Use By-Laws or do water treatment facilities such as these have separate development guidelines? Yes, the buildings will be proposed as accessory buildings and would have to be approved for development by Brazeau County.
- Willow Ridge – why would you recommend Options 2 that is prone to leaks, but safer? Option 2 is less risky and can be maintained by staff with parts and equipment easily available.

- The Capital Replacement Reserve Fund Study estimates the cost to drill a new well at \$28,000 – is this fair estimate? Yes, that is a fair estimate along with approximately another estimate of \$25,000.
- Breakdown of construction costs estimates: - \$55,000 general requirements would include insurance. Structural/Architectural of \$45,000 is foundation and concrete work on the project.
- Purchases of sea cans, pre-built buildings or garage packages for water treatment facilities – timeline and costs would dictate if this is a viable option.
- Could each owner drill their own water well or install a cistern on their property? Costs would be substantially higher than the upgrade costs. It was noted that if there were two or more owners using a well it would be necessary to apply for license to co-use the well and testing and chlorine would also be required. I was also mentioned that we would probably not even get approval to drill several wells as this suggestion implies.
- What can owners expect in terms of disruption to access adjacent properties to the well houses? The Board would put some rules to hours etc for contractors to follow to curb the disruption. There will always be some disruption to owners but there would be notices and planning attached to the upgrade.

Don Welsh, Lot 33 asked if the presentation was available online, Bev Baltesson explained that the full report was on the Birchwood website for all owners to access. All information is on the website under the heading **‘Water Upgrades’**

Peter Tadman, Lot 33 wanted Pat Fisher to clarify the solutions to Aspen Grove. Pat answered that there is more fluoride in this water resulting in this needing to be addressed and corrected. Peter Tadman asked if owners would help by purchasing drinking water or purchasing a Culligan system. Pat Fisher explained that the system still requires more chlorine contact in the system which would not be addressed if owners only used the water for bathing etc. There is no accountability and Alberta Environment would never allow this. Bev Baltesson commented that this question was brought up with Alberta Environment. They answered that because the possibility of contaminated water could still be used for washing dishes, brushing teeth, etc this solution would not be approved by Alberta Environment or Alberta Health Services.

Wendall Olson, Lot 151 asked again about an option for connecting on the wells. Pat Fisher explained again that it is not favorable because of the creek and sandstone in the community. Drilling to join the well lines could eventually create more unknown costs due to the landscape of the community.

Dennis Guenette, Lot 143 asked why there is a double standard with water because there are numerous campgrounds that have non potable water. Jocelyn Whaley explained that there are different rules for campgrounds because there are no permanent residents on site and most camper units bring in their own potable water. The standard is more restrictive for areas that house full time residents.

Brent Milford, Lot 54 asked about a possible membrane system. Pat Fisher explained that this would be more expensive due to more monitoring needed for this system.

Dan Hill, Lot 117, asked if we did not comply with Alberta Environment and don't do the upgrade what would the penalties be. Sueanne Rehill Holt said that there was currently no time frame because of the late notification from the government about the changes. If the community did not comply, she felt that the Board would eventually receive an order to comply from AE, we

could then be directed to boil water by Alberta Health Services. Eventually, harsher penalties could be imposed such as locking the wells.

Wendall Olson, Lot 151, asked why the owners could just purchase a 500-gallon tank and buy their own potable water. Joan Allen, lot 14 confirmed that nothing could stop any owner for doing this but would not change the need for the upgrade. The cost of the upgrade is shared equally with all owners, not on water usage.

Dallas Polei, Lot 173, asked if a solution to incorporate rise mixers in the current tanks, in order to save money. Pat Fisher said that this method is not commonly used as using a mixer is hard to prove that the water is mixed and safe. James Bremner, Lot 87 suggested that straight piping is still a better method of mixing the chlorine in the drinking water.

Wayne Irvine, Lot 76 asked if there was any thought to just building over the existing locations. Pat Fisher did look at this idea but felt that staging would be difficult and in Willow Ridge there needs to be a space 4 times the size of the footprint. Regardless the buildings would need to be engineered and constructed.

Clarence Wastle, Lot 84 wanted to remind the Board that the County would not approve a building built behind the Centre. He also commented that Birchwood Estates wanted to drill individual wells in their subdivision this was not approved because of the aquifers in the area. Cisterns would have been the only option for this area. Clarence Wastle felt that there is information on the internet that can be viewed regarding these wells.

Greg Jansen thanked Pat Fisher for the information that he was able to provide to the owners.

Questions for Jocelyn Whaley & Councilor Anthony Heinrich – Brazeau County

There was an information sheet provided to owners from Brazeau County before the meeting detailing the County's positions and options available from Brazeau County. Jocelyn Whaley explained that they have had some preliminary conversations with Alberta Environment regarding the necessity of the water upgrade requirements that are being imposed on the community and what the timelines could be for the project. There is currently one grant that Brazeau County could be applied for through the federal government which (if the application is successful) could pay for up to half of the required costs. Another option that would lessen the financial obligation would be that Brazeau County would act as the "mortgage broker" and obtain on behalf of the condo association a loan through Alberta Capital Finance which could be amortized over 5, 10, or 25 years.

Jocelyn Whaley explained that their position is currently based on verbal conversations with council members and it appears that there is no appetite for the County council to take over the community if the Board and owners chose to dissolve Birchwood Condo Corp 882-0814. Brazeau County, if they were to take over the community, would have standards that would need to be met including upgrades to the internal roads and utilities. This could lead to things like a community revitalization levy similar to the levy applied to the community when the lagoon was updated. Brazeau County is committed to working with the residents towards a solution.

Gary Holt, Lot 45, commented that he is disappointed in the lack of interest for the County in their informal decision not to take over the community. While it is important that the owners have the estimates from the draft, he would like to have a more definite number on what it will cost the owners so that owners could make an informed decision. Jocelyn Whaley explained

that a letter would be needed from the Corporation and then the County would initiate the grant application process, which could take several months.

Zoelynn Friesen, Lot 10, express disappointment because she thought this meeting was to dissolve the corporation and the condo fees would be eliminated once Brazeau County took over the community. Greg Jansen explained that this meeting was just an informative meeting regarding the water system upgrades and all options available to get this done.

Marilyn Osaka, Lot 50, has concerns that the federal grant may not be available after the October election. Jocelyn Whaley explained that it is an infrastructure grant that has been readily available for the last 12 years, which included changes to the government, and feels that it will still be in place even after an election.

Andrew Valliere, Lot 123 asked the County where his property taxes go. Jocelyn Whaley explained that all taxes go to the general fund. This community is treated differently because it is a private entity, but Councilor Heinrich has worked hard on our behalf to get additional services to the community including emergency access, fire access, dumpster and the lagoon.

Clarence Wastle, Lot 84 explained to the owners that there have been lots of changes in the community since 1988. He feels that it would be necessary for the community to get out of the water business and allow Brazeau County to monitor it. He also asked if once the upgrades are completed would this be something that the Brazeau County could take over? He also suggested that the Corporation utilize the County's engineering contacts. Jocelyn Whaley explained that there is not an inhouse engineer on staff, however, they do have staff that maintain water systems in the County. She also advised that, if the Corporation wanted the County to take over maintaining and monitoring the water treatment system, the Corporation would have to bring that forward to Council.

Wayne Irvine, Lot 76 has concerns about the County taking over the community. The contractors currently employed by the Board are providing an adequate service to the community. If the County were to take over the community, would the community be a priority for services to be completed in a timely manner. Anthony Heinrich confirmed that hamlets etc. are serviced near the end – main county roads and school routes are a priority.

Sueanne Rehill Holt, Lot 45 responded to Anthony Heinrich's comments on the services Brazeau County provide for the community. Currently there is 1 free dumpster supplied per month. When it comes to sand availability, the community is last on the list for this service. The prior board was able to get a Road Use Agreement for a second emergency access route out of the south gate in place this year. The lagoon is available to the community at a reduced rate. She is disappointed with the informal situation here at Birchwood and she was hoping the County would consider our community and provide long term longevity to be part of the county. She wants the County Councilors to realize that this is a community worth saving.

Bev Baltesson, Lot 74, wanted the owners to be aware that if the community was transferred over to the Brazeau County there would not only been the water upgrade needed in the community. The possibility of electrical and road upgrades may need to be upgraded to County standards at some point in time, over several years. The Corporation is continuing to make upgrades in these areas and will have to continue to do so in upcoming years.

Joelle Valliere, Lot 123 would really like to see the County take over the water system in the community.

Joan Allen, Lot 14 reminded owners that any decision would require a 75% vote and she is not prepared to sign a resolution to dissolve the corporation. She would like the Board to approach Brazeau County to get the correct estimates, timelines, etc for the work that needs to be done to bring Birchwood up to County standards so that she can make an informed decision.

Zoelynn Friesen, Lot 10 questioned why the community would not be a priority because of the roads being part of the necessary school routes. Anthony Heinrich explained that even existing roads that are designated as school do not get completed in a timely manner. There are just too many roads to get cleared. Birchwood roads would just add another level of pressure to what roads need to be completed in a timely manner.

Doug Milner, Lot 134 has concerns that the estimate of 8,000 is low.

Andrew Ross, Lot 146 would like to see the Corporation continue and for Brazeau County to apply for the grant on our behalf.

Brett Milford, Lot 54 asked if there was any indication on the timeline to get the grant application prepared. Jocelyn Whaley advised that the County would need a letter from the Corporation asking the County to apply for a grant on our behalf. The grant approval process could take several months.

Joan Allen, Lot 14, commented that she was pleased that the County attended the meeting and was happy that they are offering to work with the Corporation to acquire a loan on our behalf. She is also thankful that the County is working with the Environment minister to get more clarification on the necessary water upgrades.

Christine, representing Lot 15 asked again the reasoning behind Brazeau County not being willing to take over the community. Jocelyn Whaley explained that there has not been a formal meeting as of yet to ask the council members to vote on this, only informal discussions have taken place. The cost to the community rate payers could be substantially more than the 1.5 million estimated for the water upgrade because she advised that road upgrades, electrical upgrades, etc would also need to be done, at some point in time. She also commented that the security gate would be removed. She indicated that, the Corporation would require a 75% approval from the owners to dissolve the corporation and then a letter from the Corporation asking council to accept their application to the County.

Marilyn Osaka, Lot 50, asked what would be involved in bringing the community up to County standards and would these upgrades be done immediately. Because this option has not been put forward to council there currently is nothing to report for what would need to be completed and the timeframe allowed completing these tasks.

Lori Andrews, Lot 111 wanted to let owners know that the community condo fees are in comparison with the monthly Drayton Valley water bills. She feels owners just need to treat the condo fees as another monthly utility bill.

Gary Holt, Lot 45 has concerns about the new levy that this water upgrade is going to put on the owners.

Sueanne Rehill Holt, Lot 45, regardless of what option is decided on, either dissolving the corporation or borrowing money to pay for the upgrades, there will need to be 75% approval of

the owners. The Corporation cannot force any option on the community without approval of the owners. This approval would be in the form of a Special Resolution and the wording would need to be very clear for the options presented. If a Special Resolution was not approved by the owners, the Corporation's only option would be to impose a Special Assessment to each owner to fund the upgrades required. She also felt that a letter should be presented to the County Council asking if there would be interest in them buying the water system, maintaining the system and leasing it back to the Corporation which would ensure the longevity of the community.

Vic Seaman, Lot 77, would like to see more concrete estimates to give the community options.

Doug Milner, Lot 134 would like the Corporation to get the County to pursue the grant application ASAP.

Clarence Wastle, Lot 84 would like the Corporation to work with the County and not dissolve the corporation.

Greg Jansen asked if there were any more questions for either Minnow Engineering or Brazeau County and since there were no more question for them, they left the meeting at 12:25 pm. It should be noted that several owners also left the meeting, however, the meeting continued with the owners that remained.

Owners questions to the Board

Lyle Banack, Lot 78 asked owners still in attendance, by a show of hands, what direction they would like to move in. Do owners want the dissolution of the Condo Corporation? By show of hands the owners in attendance would prefer to maintain the Condo Corporation and not dissolve.

Bev Baltesson, Lot 74 reminded the owners in attendance that Alberta Environment was in error not letting the Corporation know about the new requirements for the water system and they admitted they had made that error.

Melissa Southern, Lot 83 suggested that owners scrap the wells and all owners get a cistern. Joan Allen, Lot 14 noted that not all owners have the land mass that would accommodate this type of system. Potable water is expensive.

Clarence Wastle, Lot 84 confirmed that individual cisterns would be initially more expensive. He also commented that there would likely be a monthly levy to owners if the county were to take over the water system.

Robert Bellavance, Lot 37 is very concerned about the water upgrades and feels that if owners were able to attend the monthly board meetings it may alleviate some of the anguish in the community. The Corporation informally discussed the possibility of owners being allowed to attend future Board meetings. Owners would only be able to listen to the meeting, there would be no open forum or owner participation. All owner concerns would continue to be sent to the Board in written format through, mail, email or left in the mailbox at Birchwood Center. The Board wants to be able to conduct meetings prepared and with minimal disruptions.

By way of a show of hands with the board members in attendance it was moved unanimously that future Board meetings will be open to owners starting with the next scheduled board

meeting on August 12, 2019. Any questions or concerns from owners will still need to be distributed to the board prior to meetings to be addressed by the Board, or if necessary, added to the meeting agenda.

Sueanne Rehill Holt, Lot 45 agreed with the open meeting without owner's participation. It will be important to continue to work together with Brazeau County to get this started asap.

Robert Bellavance, Lot 37 wants the Corporation to approach the County with formal written communication ASAP.

Wendall Olsen, Lot 151 has concerns that the upgrade is for water treatment and not water distribution. He has concerns that permanent residents receive more benefit than other residents. The Board reminded him that a lot of owners leave for the winter as well so this really should not be considered that one owner gets more than other owners.

Kevin Moss, Lot 115 asked the board how the decision was made to utilize services from Minnow Engineering. Sueanne Rehill Holt reached out to a retired Alberta Environment engineer, Neil Holland. The Board engaged Neil's assistance in preparing a Request for Proposal that was sent to three water engineering firms. The Board only received two proposals back, evaluated each firm on several levels and chose Minnow Engineering.

Joan Allen, Lot 14 as a past board member said that while this was a big project for the community it was a reasonably small job for any engineering firm so may not be worth their while to respond.

Clarence Wastle, Lot 84 asked if we are committed to continue the contract with Minnow Engineering. Phase 1 is complete, and Phase 2 will be the construction of the upgrade and the Corporation is only committed to Phase 1 at this time. He wondered if the County could get resources to get the construction completed. While there is no commitment to continuing with Minnow Engineering there would be no desire to start again with this project.

Lyle Banack, Lot 78 felt that if the County was involved in the process of getting quotes from construction companies there may be access to lower bids. There has been \$15,000 paid to Minnow Engineering to date for this stage of the water upgrade project. He would like to explore the loan option with the County to pay for the upgrade over time.

Andrew Ross, Lot 146 again asked if the Board did dissolve would the County have to take over the community. Lyle Banack explained that the community would become a community with 171 lots with no condo government and by-laws. This would be detrimental to the community and getting any necessary items completed. He also said that it would be a long process to dissolve the corporation. Any documents that go out to the membership regarding a special resolution would be prepared with help from the Condo Lawyer and 75% approval from the owners would be required.

Jan Wells, Lot 99 felt that the owners received a clear message that the County wants to work with the community. She would like the Board members to continue to work with the County to get this upgrade completed.

Gary Holt, Lot 45 agreed with Lyle Banack's proposal of approaching the County regarding a loan that they could put in place for the community to get these water upgrades completed.

Joan Allen, Lot 14 reminded the owners again that \$115.50 is a reasonable condo fee in comparison with water fees charge to Drayton Valley owners.

Clarence Wastle, Lot 84 wants to remain a Condominium Corporation and when the upgrade is complete look at possibly offering the water system to the County for their maintenance because they are in the water business and have staff that could maintain what is required as per Alberta environment standards. The County could, perhaps bill the Corporation for this work and then the Corporation would pass the cost on to each owner in the Condo Assessment.

Lyle Banack, lot 78 commented on the possibility of checking with Buck Mountain Gas Co-op to see if there could be directional drilling performed in the community to make 3 well houses to 1 well house.

Robert Bellavance, Lot 37 feels that directional drilling will be extremely expensive based on his 40-year oil industry experience.

Bev Baltesson, Lot 74 felt that directional drilling to one well may not be sustainable to feed all owners in the community and lots.

Doug Milner, Lot 134 stated that anything can be done but Alberta Environment has the final say as to what would be allowed.

Claire Sather, Lot 135 questioned how much was in the reserve fund? Lyle Banack stated that studies are completed every 5 years and currently the reserve fund has the money required by the study. Anything done with the reserve fund study would require 75% approval on a special resolution.

Bev Baltesson, Lot 74 feels that it would be beneficial to borrow the money from the County but 75% of the owners would have to agree to a Special Resolution for the Board to do this. If this special resolution does not get 75% approval from the owners, then a Special Assessment would be billed to each lot owner for their portion of the upgrade costs. The Board does not need approval from owners to assess a Special Assessment for this type of upgrade.

Melissa Southorn, Lot 83 introduced herself and advised that she is currently a property manager to several condo associations in the city. She wanted to caution owner's perception of the Reserve Fund indicating that it is never calculated for total replacement of common properties, simply repairs and identifiable improvements.

Jan Wells, Lot 99 commented that the capital reserve fund study affects our capital but when it was prepared, the engineering firm would have had no way of knowing that this water upgrade was going to be required and that our water CT values were not always met.

Clarence Wastle, Lot 84 wanted to let owners that there are new condo rules being implemented by the Alberta Government, scheduled for implementation on January 1, 2020. Some of these regulations were to begin July 1, 2019, however, the government has postponed these changes so that they can conduct a full review of the changes. The new act may require experts or qualified engineers in several fields, ie water, electrical, structural, etc to contribute to the study. This would, therefore, increase the costs of the Corporation from currently hiring one engineering company to prepare the study to several engineering firms to prepare their portion of the study and their field of expertise.

Robert Bellavance, Lot 37 asked when the Board would be able to put a Special Resolution vote to the owners. Greg Jansen explained that if the will is to pursue the grant then there needs to be another owner's meeting.

James Bremner, Lot 87 asked if the wells can be shut down if the upgrade isn't completed. Sueanne Rehill Holt noted that there has been correspondence with Alberta Environment and there has not been any timeline given to have the project completed. They have just said that this upgrade needs to be completed as soon as possible. Maybe Brazeau County will get more direction from the minister of Environment that the department. James Bremner would like the Board to start the proceeding with the County right away and then come back to the community with the direction the Board and County recommends.

Greg Jansen, Lot 29 stated that the Special Assessment and corporation loan will be available to all owners and new purchasers of lots in the community.

Clarence Wastle, Lot 84 suggested that purchaser need to do their due diligence when they purchase lots in the community and owner's must disclose any deficiencies they know of to any potential buyers. If owners agree to borrow money, the loan will show on the financial statements.

Sueanne Rehill Holt, Lot 74 provided an update on how the lagoon levy worked with the owners in the past. Brazeau County paid for repairs up front and then placed the levy on the property tax invoices yearly calling it a local improvement tax. Clarence Wastle, Lot 84 felt that the County paid 50% of those lagoon costs.

Lyle Banack said that if there is a special assessment it will be charged out to the owners based on the factor on each lot. He also asked that if there is a Special Resolution sent out to the owners to please talk to your neighbors and please vote – there is a requirement of 75% for owners to respond yes or no. No response from an owner would mean a vote against a Special Resolution.

Bev Baltesson, Lot 74 thanked the owners for attending the informational owner's meeting today and giving the Board the direction, you would like to see the Board to take going forward.

There were no further questions and the meeting was adjourned at 1:52 p.m.