

Birchwood Country Condo
Condominium Corporation No. 882 0814
P.O. BOX 134, LINDALE, ABT0C 1W0

May 14, 2019

Owners of Birchwood Condominium Corporation 882-0814

In February of 2018, the Board received a report from Alberta Environment requiring us to upgrade our entire water system to meet current Provincial water safety standards. In the 2018 AGM package, this information was presented to the owners. A copy of the entire report was posted to the Condominium Corporation website prior to the 2018 AGM for those who wanted further information.

The Birchwood Condominium Corporation was required by Alberta Environment to have another engineering study done to update the 2012 original study. With the consultation of a former Alberta Environment engineer with over 30 years of experience in municipal and private water systems, the Board sent out Requests for Proposals to three qualified engineering firms. The Board hired Minnow Engineering and the study has given us two options which have been posted to the Condominium Corporation website. Briefly they are as follows:

- 1) Replace all the current well house facilities at an estimated cost of \$1,500,000 to bring the system up to current water treatment code.
- 2) Upgrade the present system to provide additional space for the storage and equipment needed by connecting sea cans to our current well house facilities. The estimated cost for this upgrade option is \$1,235,000.

Please be aware that the actual costs could exceed the estimates provided.

Minnow Engineering has discussed both options with Alberta Environment and has suggested that either option may be acceptable.

After many inquiries, it has been determined that Birchwood Condominium Corporation does not qualify for any grant funding to offset the costs of this upgrade because we are a private entity.

The Board knows that the owners will need to decide on the path they wish to choose in dealing with the costs associated.

Upgrade the water system and pay for the costs eitherby:

A Special Assessment on each lot,for one share of the estimated cost,whichwould range from approximately \$7,300.00 to \$8,800.00 per lot.

Borrowing money by Birchwood Condominium Corporation.The Board is investigating the possibility of securing a loan. Based on current cost estimates, condominium fees would at least double over the entire amortization period. As well, additional increases in condo fees should be expected to cover rising operating costs and increasedreserve fund requirements.

Or Dissolving the Birchwood Condominium Corporation

Previous Boards and the current Board have had some preliminary discussions with Brazeau County about the possibility of dissolving the corporation. Brazeau County is eligible for grant funding to offset costs for the water system upgrade so that the entire cost would not necessarily transfer to the owners' property tax base. This solution would allow all owners to benefit from government funding for these upgrades as well as any future capital upgrade requirements.Thiswould alsoeliminate monthly condominium fees as Brazeau County would assume responsibility for management and maintenance of the common property. The Board will formalize communications with Brazeau County to clarify this option.

Next Steps:

Owners are asked to submit written questions or concerns by mail to PO Box 134, Lindale, Alberta T0C 1W0, by email to mail@birchwoodcountrycondo.com,or dropping in the mailbox at Birchwood Center by Sunday, June 16, 2019.

On Saturday, July 13th at 10:00am,at Birchwood Center, the Board has scheduled an informational meeting to respond to the questions submitted. We encourage all owners to attend. The Board will conduct an informal pollto get a sense of the owners'preference, eitherowners pay for the cost of this upgrade or dissolve Birchwood Condominium Corporation. If you are unable to attend please send us your preference by mail to PO Box 134, Lindale, Alberta T0C 1W0, by email to mail@birchwoodcountrycondo.com, or dropping in the mailbox at Birchwood Center.

Regards

Birchwood Board of Directors
Condominium Corporation 882-0814