

LITTLE BOW RESORT CONDOMINIUM ASSOCIATION

CONDOMINIUM CORPORATION NO. 931 1680

December 19, 2006

TO: Little Bow Resort Owners

FROM: Little Bow Board Resort of Directors

The Board is very pleased with the interest most owners have shown in the affairs of the Condominium Corporation as evident from the 150 responses to the internet owner's survey, the attendance at the SGM and the number of visits to the new website, www.littlebowresort.ca. With the move to e-mail communications that can reach most owners, the Board feels that it is appropriate to provide owners with timely updates on the issues the Board is working on as many of them were not discussed at the SGM.

The Board intends to provide these updates as a replacement, enhancement and lower cost alternative to the newsletter that has been published about twice a year.

GARBAGE

Garbage removal service is currently provided by the Vulcan Waste Authority which has supplied the green mesh bins and hired a third party contractor to haul the full bins to a transfer station. The Waste Authority has advised us that they may no longer be able to provide this service due to rising costs. The Waste Authority provided the Board with a proposal to provide curb side pick-up, which based on the survey results is not an option most owners want. We believe that a long term solution could be the installation of large bins that dump directly into the same trucks that move waste from the transfer stations:



For more information on these containers see
<http://www.haulall.com/english/products/transfer.asp>

This option would minimize operating costs, however, installation costs are estimated at about \$200,000. In the interim, if the Waste Authority ceases service to us we will hire a third party contractor to supply and empty bins for us.

The Board will continue its discussions with the Waste Authority in the New Year to try and find a lower cost alternative for garbage removal.

PROVINCIAL GOVERNMENT LIAISON

The President met with our MLA, Barry McFarland, on October 19th to discuss opportunities for provincial government funding for a new waste transfer station at the Resort. Barry's office checked into possible government funding sources and has advised that provincial funding is not available.

Barry brought up the issue of paving highway 529. Unfortunately, the vehicle count on Highway 529 is too low to justify paving, despite the high traffic volumes during weekends in the summer. This is the same message we have received from advocacy efforts with Alberta Transportation at the political and operational levels.

The Board will continue its advocacy for the paving highway 529. The County still has the 6 mile stretch of road west of Milo as its number one priority request to Alberta Transportation, with Highway 529 second. At this time it appears that it may be a long time before we see highway 529 paved.

VULCAN COUNTY LIAISON

On October 19th the President met with the Lomond Recreation Board and made a request for recreation funding for the Resort. The Recreation Board is of the view that since we are private public funds cannot be granted to us. We advocated that the resort is a community and should be eligible for funding, notwithstanding our corporate structure. The Board submitted a request for a \$2,000 grant for swim area materials. This week we received a letter denying our request.

On November 7th your President made a presentation to the Vulcan County council requesting assistance with obtaining provincial government funding for a waste transfer station at the Resort. We will continue our advocacy efforts with the Vulcan Waste Authority on this issue in the New Year.

We also asked the County for a renewed commitment to have the road from highway 529 to the boat ramp graded during every grading cycle (i.e. when the grader is in the area, about every 2 weeks in the summer). This past summer the County only graded the road all the way into the boat dock 3 times. The Council agreed to rectify for next summer.

A copy of the speaking notes for the council presentation are on the website at www.littlebowresort.ca.

For your information, the following table is an estimate of the taxes we paid to Vulcan County for 2006 (taxes paid that were due Sep 30, 2006):

Vulcan County - 2005 / 2006 Little Bow Tax Roll			
Assessment	\$ 28,338,000		
	Rate	Taxes	Tax Funds To:
Municipal Taxes	0.00914	\$ 259,009	Vulcan County
Education taxes	0.00429	\$ 121,570	Province
Senior Foundation	0.00016	\$ 4,534	Vulcan Sr. Lodge
Solid Waste	0.00024	\$ 6,801	Waste Authority
Fire	0.00020	\$ 5,668	Lomond Fire
Recreation	0.00016	\$ 4,534	Lomond Rec Board
	0.01419	\$ 402,116	

Please remember that property taxes are based on market values. With the increase in the value of recreation property in Alberta over the past year we may be facing even higher property taxes in the future.

The Board is cognisant of the high level of taxes we pay and the limited services we receive from the County. We have investigated many options including legal challenges and a hired lobbyist. Unfortunately our options appear to be limited. The unspoken reality is that the politicians view recreation property owners as affluent and they have little energy to assist, especially when we don't vote in their constituencies. The Board's current approach is to build a positive relationship with County as previous lobbying attempts have proved ineffective.

WATER AND SEWER INFRASTRUCTURE

The Board has requested a proposal from MPE Engineering to perform a study on the water treatment, sewer disposal and irrigation equipment. As noted by Dave Connelly in the presentation at the SGM, the Board has several concerns with future capacity and reliability of certain aspects of the equipment. We are hopeful that a proper engineering study will help the Board plan for any future capital expenditures and assist with meeting Alberta Environment requirements for our 2010 treatment plant licence renewal.

In addition, part of the proposed study will be to determine if additional underground sprinklers are feasible and cost effective. The last survey results from Owner will help guide the Board on future proposals for expanding the underground sprinkler system.

Alberta Environments has approved a delay for the cleaning of the water storage cistern under the water treatment plant to allow us additional time to plan and potentially seek lower cost options for a cleaning in fall or winter 2007.

2006/2007 CONDO FEES

The Board has finalized the October 1, 2006 to December 31, 2007 budget. At the SGM the owners approved moving the fiscal year end from September 30 to December 31 and the Condominium Corporation operating under a 15 month budget.

At this time it appears that we are in for a significant increase in condo fees. Highlights are:

- 6.5% increase in the number of units sold which provides increased revenue
- Overall 22% increase in forecast costs - the main increase is a 58% increase in the cost of labour for our caretaker, increased summertime labour support and increased requirement for back-up water treatment plant operator. Labour costs have increased dramatically in Alberta over the past year and more labour hours are required to keep up with the increased maintenance that comes with more owners
- Most other costs are increasing at inflation, except water treatment related costs that are increasing with higher volumes of treated water being consumed (electricity, chemicals, etc.). Hopefully the installation of the water meters will help curb some of these expenses.
- Garbage removal costs are also expected to increase as noted above.

The net result will be an increase in the 12 month fees from \$950 to \$1,150. With the one time move to a 15 month operating period, the fees for the period Oct 1, 2006 to Dec 31, 2007 will be $\$1,150 \times 15 / 12 = \$1,440$.

In addition, the special assessment for the water meters will be about \$175 for each dwelling that had a water meter installed and about \$140 for each unit that did not have a meter installed. The Board plans to purchase a water meter for each remaining un-metered unit that will be kept in storage (at the water treatment plant) for each unit until a dwelling is built. When an owner is building they can request a meter from Ray, which will be installed at the owner's expense.

The Board recognizes that these fee increases are significant. There are no new capital programs budgeted for 2007. A surplus from last year exists; however, the bulk of the surplus is a carry over to complete the installation of the second boat ramp in the fall of 2007.

OTHER ITEMS

- The second boat ramp construction has been delayed until fall 2007. Alberta Environment advised us the water level would not be low enough this fall; however, the level did drop low enough for a few weeks. During the fall of 2007 the irrigation inlet structure to Travers Reservoir is to be re-built which should provide a long construction window with low water levels.
- The Board is investigating options to slightly expand the boat dock parking area.
- All dwellings have a water meter installed, except for three. Thanks again to Ray for all his coordination efforts.
- The Board has entered into a new employment contract with Ray effective October 1st.
- The next owner's survey in the New Year will seek feedback on several of the bylaws where questions have been raised as to purpose or intent.
- The last survey showed that 90% of owners support ATVs having license and insurance. The Board requests that all owners with ATVs comply with the ATV policy and submit your form to Braemore Management (copy of the form is available on the web site at www.littlebowresort.ca).
- The transfer of all the common property from the Developers to the Condominium Corporation is expected to be completed by year end. The Board intends to enforce the four year building commitment owners have made.
- The Board is planning to hold a single AGM in the April or May 2007 timeframe with the intent to approve the financial statements for both the Oct/05 to Sep/06 and the Oct/06 to Dec/06 fiscal years. At this AGM the Board will present the budget for the 15 month period from Oct /06 to Dec 07.

As always, if you have any questions or comments please write or e-mail to our manager Warren at braemore@telusplanet.net.

Kind regards, and all the best over the holidays!