

# 2026 Mid-Year Community Update

## Clean Narration Transcript

### 1. Halfway There

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Hello, Waterford homeowners. I'm Donald Monistere, President of the Waterford Board of Directors, and I'd like to take a few minutes to give you our 2026 mid-year community update. We are calling this update "Halfway There" because we have made meaningful progress on the work underway, while recognizing that there is still important work ahead. I'll cover where the exterior project stands, what we discovered during the work, our current financial position, and how the new reserve study will help guide Waterford's future.

### 2. Thank You for Your Patience

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First, on behalf of the entire Board, thank you for your patience. Major property work is inconvenient. The scaffolding, noise, dust, temporary limitations on access, and general disruption are frustrating, and we understand that. We also know that many of you plan your time at Waterford specifically to relax, so construction activity is not what you want to encounter when you arrive. Even so, homeowners have handled the disruption with patience and understanding, and we appreciate it. Every week of inconvenience is helping us protect years of value—not only in the buildings, but in each homeowner's investment and in the community we all enjoy.

### 3. The Board's Simple Mission

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The Board's mission is straightforward: protect the property, protect the investment, and improve the community. That means maintaining and improving the common elements that belong to all of us. It means preserving what makes Waterford beautiful, enjoyable, and functional. And it means planning ahead—using professional guidance, sound financial information, and our reserves to reduce surprises whenever we can. We will not eliminate every unexpected issue in an established property, but disciplined planning allows us to identify needs earlier and respond responsibly when something does emerge.

### 4. 2026 Progress: EIFS Restoration

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Our largest and most visible project this year is the EIFS, or exterior restoration project, and it is now approximately fifty percent complete. Building preparation has been completed, surface repairs are

underway, and painting and finishing continue to progress. Once this work is finished, the gutter replacement will follow. This project is about much more than improving Waterford's appearance. The exterior system helps protect the building envelope from weather and water. Doing this work correctly now will give us a better-looking property, but more importantly, a better-protected building for the years ahead.

## **5. Structural Inspection Update**

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As exterior work progressed, previously hidden steel became visible, and we found corrosion that was more extensive than anyone expected. In fact, even the structural engineer was surprised by the condition of some of the exposed material. The Board acted quickly and engaged a licensed structural engineer to inspect the affected areas and recommend the appropriate response. The important point is that the engineer did not identify structural damage or concerns in the center, or main structure, of the building. The issue is on the exterior, in areas where water runoff was not adequately diverted. Repairs are recommended to preserve long-term integrity, and we are working to define the proper scope and cost. No one welcomes an unexpected repair, but discovering it while the exterior is already open gives us the opportunity to correct it properly before it becomes a larger and more expensive problem. In that sense, seeing it now really is a blessing.

## **6. Help Us Protect the Buildings This Winter**

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This discovery also gives us one specific action every homeowner can take. Please do not use rock salt or chloride-based deicers on Waterford sidewalks, breezeways, or common areas. The structural engineer indicated that years of exposure to salt-based ice-melt products may have contributed to the corrosion. We cannot say that salt was the only cause, but we do know that these products can be harmful to building materials. If winter weather requires treatment, the Board will communicate safer options appropriate for Waterford. A small choice during a freeze can help prevent significant damage over time.

## **7. What Comes Next: Gutters**

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After the EIFS restoration, the next major step is gutter replacement. The sequence matters: we want the new exterior finish completed and then protected by a properly functioning water-management system. New gutters should reduce overflow, direct rainwater away from vulnerable areas, protect the exterior finish, and reduce ongoing maintenance. While the EIFS work continues, the gutters have been removed. If you see water causing any problem in or around your unit, please let the Board know promptly. You can open a ticket through the website or email me directly at [dmonistere@waterford-hoa.com](mailto:dmonistere@waterford-hoa.com). Early notice gives us the best opportunity to investigate and respond.

## **8. Financial Snapshot**

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Financially, the Association remains stable while this major work is underway. As of this update, we are approximately twenty-six thousand dollars below budget and tracking within the operating plan. Accounts payable are approximately ten thousand dollars, so our reported current liabilities remain modest. Accounts receivable were approximately one hundred seventeen thousand dollars as of July eighth. Those receivables are Association funds that remain outstanding, and timely collection is important to maintaining our cash flow and carrying out the work the community has approved. The final reserve impact of the newly discovered structural repairs is not yet known. We expect those repairs to use much, and potentially all, of the twenty-five thousand dollars in reserve savings budgeted each year, depending on the final engineered scope and pricing. The Board will not present an uncertain number as final, so we will address that once we have dependable information. Our focus remains stable operations, disciplined reserves, and completing the capital work responsibly.

## **9. Insurance and Risk Management**

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Risk management is another important part of protecting Waterford. The Association renewed a comprehensive commercial insurance program that includes property coverage for the buildings, common elements, docks, and Association-owned property. It also includes general liability, directors and officers coverage, crime and cyber protection, and equipment-breakdown coverage for major systems. Insurance never replaces good maintenance or prudent reserves, but it is an essential layer of protection. The Board reviews this program so that the community's assets, finances, and operations are appropriately protected against the risks an association like ours faces.

## **10. New Reserve Study: A 30-Year Roadmap**

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As planned and approved at the annual meeting, we completed a new professional reserve study. It identifies twenty-nine common-area reserve components and looks forward thirty years, from fiscal year 2026 through 2056. A reserve study is not a prediction that every listed expense will happen on an exact date, and it does not mean that every item must be funded or completed immediately. It is a planning tool—an updated roadmap of the assets the Association is responsible for, their expected useful lives, and the future cost of repair or replacement. That roadmap helps this Board and future Boards sequence projects, update priorities as conditions change, and distribute the cost of long-lived assets more fairly between today's owners and future owners. I will be putting the new reserve study on the website for your review. Please feel free to review it and leave comments on the page.

## **11. Where Future Reserve Costs Live**

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At a high level, the reserve study shows that the largest long-term costs are concentrated in property-site components and exterior building components. That is consistent with what we are seeing today: water management, exterior systems, access areas, and other shared property assets require periodic reinvestment. The chart is not intended to overwhelm anyone with a spreadsheet. Its message is simple: these responsibilities are real, they extend well beyond the current project, and reserve planning must keep pace with them. The study gives us a better basis for deciding what needs attention first and what can be planned further into the future.

## 12. The Road Ahead

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Looking ahead, our plan is phased. Right now, the priority is completing the EIFS restoration and properly addressing the exterior steel repairs identified through the structural inspection. Next, we will replace the gutters and finish the exterior water-management work. During 2027 and 2028, the Board will continue evaluating the reserve study's near-term items alongside regular maintenance priorities and available funding. Longer-term capital items will be planned using the same roadmap, with timing adjusted as actual conditions and costs become clearer. The goal is not to avoid maintenance. It is to do the right work, in the right sequence, at the right time for the long-term health of Waterford.

## 13. Thank You

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Thank you again for your patience, your support, and your trust in the Board as we work to protect Waterford for the years ahead. We will continue to communicate as the exterior work progresses, as the structural repair scope is finalized, and as the gutter project moves forward. Please watch the Waterford website and Board communications for updates, and contact us when you see something that needs attention. We appreciate the community's cooperation, and we look forward to finishing this important work together. On a final note, this is my last year serving on the Board at Waterford. I have been your President for five years and served as Treasurer for the two years prior to that. I believe it is time for new representation. I want to thank everyone for your engagement and passion for this community, and I will always remember my time serving the property owners of Waterford with a mix of pride and maybe a little frustration, as I always wanted to accomplish more. I will say that this Board has improved the property greatly and managed through some really strange times, such as COVID and the extraordinary inflationary issues that affected our budget. Please consider serving this community as we seek people who wish to serve Waterford. Please email me if you would like to be considered as a Board member so we can place your name on the ballot for next year.