

May 4, 2013

Dear Mountain River East Condominium Association Member,

Winter is finally behind us and our Annual Meeting is coming up on **Saturday, May 25, 2013**. I'd like to take this opportunity to bring you up to date with our progress on a number of the initiatives that I outlined in my December, 2012 update to the Association. Note: this letter uses the "old" building numbers – buildings 1 through 8 proceeding counterclockwise in accordance with the unit number blocks (1-10 is building 1, 11-20 is building 2...).

Forestry

Director **Norm Vadenais** continues to oversee our forestry harvest which began in December of 2011. As the operation progressed in 2012, the forester identified additional areas that we could responsibly cut and we've extended the harvest timeframe accordingly. To date, the association has received a NET of approximately \$26,000 from forestry operations. We estimate that the forestry project is 80% to 90% complete – cutting will resume as soon as the ground firms up and should be completed by autumn. This is a major accomplishment – harvesting is something we do only once every 20 years or so. We literally could not have done this without Norm's constant oversight and the funds couldn't have come at a better time for our association.

Accounting and Insurance

Treasurer **Matt Siegel** and "Assistant Treasurer" **Karla Siegel** have completed an extensive review of our bookkeeping and accounting practices. They've streamlined our budget process and realigned our reserve accounts to better reflect how we do business. The result is a more straightforward budget with simpler financial reports to the association. Additionally, Matt and Karla have been working to centralize our financial account management to provide us with the ability to view our bank transactions and reconcile them against our electronic ledger in real time. This has 2 key benefits to the association – it allows our Treasurer to have up-to-date and accurate information and it provides us with the ability to directly oversee our accounts from anywhere at any time.

Director **Steve Ciras** has been examining risk around our financial and accounting procedures. You may have heard that several area homeowner associations have recently fallen victim to fraudulent accounting practices by a local management company. Steve has reviewed our financial procedures to ensure that our assets are both secured against, and insured for, any potential losses. Steve has documented his findings and we've already begun implementing his recommendations. To be clear – the Board has nothing but the utmost faith and trust in our Management Company. Mad River Property Management has been a wonderful addition to our community and we are genuinely lucky to have them working with us. Fiscal prudence simply requires that we solidify that trust with responsible checks and balances.

Pool, Spa, and Pool House Repairs

Director **Alan Crowe** has been working with pool repair contractors and the pool repairs are already underway. This goal of this project is to restore the pool to ‘like new’ condition which will improve our quality of life as well as increasing the value of our properties. The pool initiative includes resurfacing the pool and spa, replacement of poolside furniture, pool house building repairs, spa jet repairs, and additional safety mechanisms required to bring our pool up to code. We will also be purchasing a cover for the pool at the end of the season to protect and extend the life of the new pool surface. This is an aggressive project with several moving parts and Alan is doing a great job orchestrating all of it while continuing to protect and serve the residents of his hometown.

Building Repairs / Door and Window Replacements

We made tremendous progress with building repairs last year and our intent is to complete that project this summer. Alan Mann – our building repairs contractor – has returned to continue his work and we’re happy to have him back. He is already working on repairs to buildings 3, 4, and 7 and has completed the repairs to buildings 5 and 6 that remained from last year. Mr. Mann has also prepared a price list for owners who would like to replace windows and/or doors. Unlike our slider replacement project last year, the association will **not** be coordinating door and window replacements. If you would like to have a door or window(s) replaced, please contact Mr. Mann at mannshomeimprovements@hughes.net.

Unit Style	Location	Size	Type	Product Type	Mathews Bros	Pella	Pella	Anderson	Contractor Grade	
					Vinyl	Wood Clad	Vinyl	Wood	Steel	Fiberglass
G/G+	Kitchen	41x41	Double		\$1,131	\$1,068	\$957	\$1,128		
G/G+	Bedroom	48x48	Double		\$1,254	\$1,164	\$1,011	\$1,260		
F	Livingroom	48x48	Double		\$1,304	\$1,164	\$1,011	\$1,260		
E/F	Bedroom	30x48	Single		\$849	\$797	\$697	\$908		
All			Entry Door		N/A	\$1,096	N/A	N/A	\$739	\$784

Price List For Window and Door Replacement

Painting

The buildings that were repaired last year (1, 2, 8, and 6) will be painted this summer. This project will be funded entirely from the “painting reserve”. The remaining buildings will be painted next summer and we expect to fund that project from the painting reserve as well. Our management company provided us with quotes from several painting contractors and we’ve negotiated an agreement with one of them. Painting will begin in early July and finish in early August. There are many details that go into a project like this and just one aspect of the painting specification remains to be worked out: currently our buildings are “French Cut” – meaning that the interior corners where siding boards meet are painted a different color than the siding boards. French Cutting takes more time and is therefore more expensive than simply painting the interior corners the same color as the siding.



A French Cut Interior Corner at Mountain River East

The per building painting cost **without** French Cut corners is \$7,400. French Cutting corners is an additional \$2,800 per building. **The decision to French Cut or not will be put to a vote at our Annual Meeting.** The additional cost by unit type to French Cut all 8 buildings is shown in the table below:

E	\$213.20
F	\$255.81
G	\$305.58
G+	\$334.07

Painting: French Cut Cost By Unit Type

Lawns and Grounds

Grub and insect infestations last summer resulted in many patches of dead grass. We have a project underway to loam and reseed those areas as well as to treat the entire property to prevent additional infestations this summer. Our management company has gotten an early jump on this project and we expect our grounds to look better than they ever have this summer.

The “Mountain River East” sign out front has been sanded and repainted courtesy of Director Norm Vadenais. The sign is approaching the end of its usable life but Norm has gotten us another few years out of it with his hard work and attention to detail. A new sign is an expensive proposition (the gold leaf paint alone would cost nearly \$2,000 today) and Norm’s efforts will allow us to defer that purchase.

Water System

In late March, as we made some planned repairs/upgrades to our water system, the contractor performing the repairs identified a problem with one of our well pumps. Our management company worked with the well company to prepare the site and schedule the repairs and I'm happy to say that we are now back to 100% capacity with both of our wells. This was an expensive repair and it was fully funded out of our reserve. This is exactly the type of contingency situation that we maintain a healthy reserve balance for.

Trash and Recycling

Our new recycling program is working just as we'd hoped it would and the Association's response to this "green" initiative has been fantastic. The addition of the recycling dumpster has allowed us to reduce the pickup frequency of our trash dumpster to once every 2 weeks for most of the year. This will change at the end of May as we transition back to weekly trash pickup for the duration of the summer. We will also be adding a recycling barrel next to the trash barrel at the pool this summer.

Water Heater Replacements

The issue of water heater replacements has come around again as part of our Association Insurance Policy review. In the past we've strongly encouraged owners to replace aging water heaters as a matter of good practice. That friendly encouragement is now a directive from our insurance company. Given the insurance implications, the Board will be formalizing the process by requiring regular water heater replacements for all units. It is impossible to say when any water heater "needs" replacing – by the time the problem is visible, the tank has already failed. **The Board has decided to use the warranty period as the sole indicator of effective lifetime of the water heater** – meaning that any water heater that is outside of its original warranty must be replaced. We have a quote for replacements that includes a bulk discount as we expect to have many units requiring replacement. Unit owners will be contacted individually with details if their water heater is outside of its warranty period.

Dryer Vent Repairs

Our buildings have an ongoing problem with dryer vents. Many of the vents simply do not work and the ones that do work are venting into the small attic above the wood bins. This creates a potential fire hazard as well as introducing moisture into the attic space where it gets behind the siding above the shed roofs. Alan Mann has already repaired several dryer vents and has provided the Association with an estimate for completely repairing the remaining dryer vents. This is a complicated situation because the amount of effort involved depends on the unit type. Additionally, for G style units, the project requires that the pipe be "boxed in" at the kitchen ceiling. The cost to repair is \$375 for G+ units, \$500 for G units with basic box-in, and \$650 for G units with fancy box-in (pictured below).



A “Boxed In” Dryer Vent (fancy, unpainted)

The Board is reviewing Mr. Mann’s proposal and we will publish our plan to address this situation in the coming months. Ultimately we will require that every dryer vent in the complex be repaired.

Chimney and Fireplace Repairs

We recently conducted a complete inspection of our chimneys and identified several safety issues with fireplaces. These issues need to be resolved by individual unit owners before they can use their fireplaces. We’ve gotten quotes for necessary repairs and owners are being contacted individually to ensure that all repairs are completed before the next heating season. This inspection highlighted the fact that the Association has been funding both chimney inspections AND chimney cleaning. Owners who use their fireplaces (wood/pellet stoves) more frequently require more frequent chimney cleaning while owners who do not use their fireplaces much or at all often do not require any chimney cleaning.



The Board has decided to remove the cost of chimney cleaning from the Association budget and to bill units directly for required chimney cleaning. Chimney inspections will continue to be funded by the Association out of the normal operating budget.

Board Terms and Election of Directors

Two Directors' terms – Director Alan Crowe and Director Tim Duggan - expire this year and we will be electing members to fill these positions at our Annual Meeting. The Board will nominate Alan Crowe and Tim Duggan to fill these positions as both have volunteered to continue working on the Board if elected by the Association Membership.

Our Annual meeting is a great way to reconnect with our New Hampshire neighbors after a long winter and to meet our new association members. As usual, we will be having our coffee social from 9:00 to 9:30 and we ask that the owners in buildings 2, 4, 6, and 8 bring some “goodies” (next year the “odd” buildings will have their turn).

As you can see we have plenty of business to discuss and the meeting will begin promptly at 9:30. On behalf of the Board of Directors, I hope to see you there.

Tim Duggan
Unit 24
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