

Lifside Condominium
Smugglers' Notch Resort

November 1, 2014

Memo: to homeowners affected by the March 30 storm

From: Lifside Directors
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Six months ago a devastating, sudden rain storm inundated the lower floor condos of the **larger** Lifside building. The Directors are sending this message to you to describe what has been done to recover and to prevent future such events.

In examining the root causes of the damage, with assistance from Smugglers' Resort's Mark Delaney, SNHA's Joe Ingram and two outside engineering firms, we find the following:

- 1) The catch-basins did not capture and disperse enough of the rain water, a backup from the basin located near LS 25 rose above the slider doors and flowed into the first floor units LS 25-28 and seeped into LS 37-39, and LS 49.
- 2) The level of the ground floor units was not sufficiently high enough above the grade outside the building, permitting water to enter the units rather than flowing downhill.
- 3) Some amount of water adding to the load on the catch basin came from the main road in front of the building, adding to the amount of water that needed to be handled.
- 4) Some additional flows of water seems to have come from across the parking lots of Nordland and the Slopeside area and flowed down to the basin at LS 25.
- 5) The ground next to the building near LS 37 and below did not have a sufficient slope or gradient to funnel the water away from the building.

Clean-up:

- 1) The Smuggs Maint. Dept. was informed of the problem by a renter about 5 am. In spite of the early hour, they sprang into action, attempting to get drainage moving and pumping the water out.
- 2) Later that day, the SNHA contracted with ServPro a professional clean-up firm, which came in and began the process of drying out the flooded units. Spoiled carpets, furniture, appliances, etc. were removed and water extracted; walls were opened up to dry out interior spaces and prevent mold growth; fans and dehumidifiers were used to dry the units.

Repairs:

- 1) Within days, the LS Directors and the SNHA contracted with firms to repair the damage, with the purpose of returning the units to rental status. This work was done in record time and the units placed back in service.

Prevention of future problems:

- 1) Everyone is concerned about the 'next big one.' We don't want to have another incident like this.
- 2) Mark Delaney (Smuggs) hired an outside engineering firm to assess the situation and propose plans for prevention. The Liftside Directors made some initial suggestions.
- 3) After several weeks, the firm presented their proposed plan to Mark, which he shared with the Liftside Directors.
- 4) The Liftside Directors did not believe the plans were sufficiently robust to give us the assurance of success.
- 5) The Liftside Directors asked Joe Ingram to locate another engineering firm to review the site and comment on the proposed plans.
- 6) Chenette Associates, the second engineering firm made a number of additional suggestions.
- 7) Using this information, the Liftside Directors presented the comments to Smuggs and their engineering firm.
- 8) Finally, a plan was developed which everyone has agreed to.
- 9) Construction of the new water handling system began in late October and should be completed by the first week in November. The key elements of the plan include:
 - Installing two catch basins, one at the bottom end of the Liftside 25-60 building and one near the top yard toward Slopeside.
 - Each catch basin will have three 35 foot long dispersion pipes to dissipate the water which will enter the drains. The dispersion pipes are about 3 feet in diameter, which should handle almost any conceivable flow of water. They will be under the frost line and so should not freeze regardless of the above ground outside temperature.
 - The over-flow point of the lower catch basin is being graded almost two feet lower than the old catch basin, so that there is a substantial difference in elevation below the floor of the condo units.
 - The road in front of the building will have a ditch installed which will drain across the parking lot (through an underground pipe).
 - Another catch basin is being installed to handle water from Slopeside.
 - The ground and swales behind Liftside on the Village Green are being re-configured to direct water away from the building.
 - Once the catch-basins are completed, the ground next to Liftside 25-60 will also be re-graded to create more of a slope away from the building.
- 10) As part of our discussion with Smuggs and the outside engineering firms, we pushed/demanded that the design of this new system be capable of handling a 100 year storm event. While such predictions are quite iffy, the Liftside Directors believe that this new system will be highly effective.

Communications:

- 1) During this whole episode, many folks were involved: Smuggs management, two engineering firms, SNHA, the Liftside Directors, with input from homeowners.

- 2) We have lost track of the number of meetings, emails and phone calls that have taken place...we just know that it has taken an terrific amount of work from all involved. We want to especially thank Joe Ingram and Tracy Whitney for their work and suggestions, which have been very helpful.

Money:

- 1) This is a tough one. There is almost no insurance coverage for this event. Flooding from surface waters is not a standard covered loss. The Master Policy carrier, Philadelphia had written a maximum annual loss amount of \$10,000 for all buildings in the group. Since homes at Smugglers' had never seen such an event as occurred last winter, all involved with insurance felt the \$10,000 was more than enough. The \$10,000 that is available will be shared among all Regimes that experienced loss during the event based on a Regime's relative loss to the total loss.
- 2) The Regime Directors and Smuggs agreed early on that we would approach this situation in a mode of collaboration and teamwork, since all parties have a lot at stake.
- 3) Fortunately, and due to the very conservative financial approach of the past Regime Directors, the Regime has had sufficient funds to pay for these activities.
- 4) Smuggs is paying a portion of the cost and is providing a significant amount of manpower.
- 5) We have not tallied up all the costs yet, since construction is still underway.
- 6) At the Annual Meeting of the Regime this past July, there was extensive discussion about paying...who pays for what and how much. The Regime By-Laws prohibit the Regime from paying for damage to property owned solely by a unit owner. The Liftside Directors are currently reviewing expenses and will have allocations for all who have been affected to review. We have also determined that a homeowner can choose to pay for the repairs that will be allocated to their home over a period of several years, to further soften the financial blow.
- 7) Joe Ingram, who has done an excellent job of tabulating expenses by unit, is now in the process of determining what the repair costs will be for each unit. This information will be available in the next several weeks.
- 8) Further, the Regime Directors do not anticipate a special assessment to cover the costs, or an immediate increase to the Liftside assessment for 2015 to make up for the costs of this recovery project. We will first work to revise the long-range facility plans so that the needed work gets done without special assessments.

Other comments:

- 1) We will have some detailed photos of the underground work and will be able to share those to interested parties.
- 2) We would also like to point out that some excellent work has been done on the front of the building to repair cracks in the foundation, waterproof foundation walls, re-grade the soil, and install wing walls to direct water away from the building in the area of LS 37 and LS 28.
- 3) We'll be happy to answer any questions, and organize a conference call for all interested homeowners.
- 4) Lastly, we appreciate the patience and cooperation and input from everyone demonstrated through this difficult time.

End of report