

To: Spruce Hills Community

From: Spruce Hills Board of Trustees

Date: 2/6/2025

Spruce Hills Status Report

Please accept our apology for the lateness of this report. Due to the very cold January weather, construction work on Building 15 has been limited and delayed, but here is a report of what has been done.

Building Work

Our plan was to complete work on 21 buildings in 7 years (3 buildings per year), finishing by July 2030 with a monthly assessment of \$195.00. Initially, this meant KPI2 would only work in warmer months.

Now, we have agreed with KPI2 that they will work year-round, depending on weather and availability, for \$60,000.00 per month from our Special Assessment fund. This should expedite the remaining work to be completed within 3 years, but payments will continue through July 2030 as agreed. This is beneficial for both parties.

Septic System Work

As you know, one of the six tanks along the driveway to the garage failed last summer. Fortunately, it was the last of the six tanks, and a temporary fix was installed and has been working successfully. Due to the age of the system, we needed to bring it up to code and Cedar Ridge has been retained to do that work. That involves replacing the six tanks with a larger tank as well as replacing the pumps. This is an expensive, but necessary fix, costing approximately \$240,000.00 (from our Capital Reserve Funds). Cedar Ridge is having the new tank built (there have been cold some weather-related delays with this, it should have been delivered here by the end of January), and it is expected to be delivered here within the next 2 weeks. Once delivered, Cedar Ridge is expected to start the work immediately, pending cooperating weather.

Water Main Break- buildings 1 & 2

On December 22, 2024, the coldest day of the year, we received word from Glen Gardner Borough/Water Company that there was water pouring out of the ground behind buildings 1 and 2. We assumed it was a frozen pipe that burst, but it was a broken main pipe line that was about 15 feet below ground level. We are fortunate that we were able to secure Harrington Construction, and they came out and spent the

day digging the pipe up, draining the water, and fixing the problem. We were fortunate that the gushing water did not enter any of the units of buildings 1 or 2. The cost of the repair was approximately \$28,000, and we did put in a claim with our insurance carrier; we are still waiting for a response to this claim.

Other Items

We have a few problems with individual units, which we will deal with when the weather warms up a bit. We may have additional information when we have our open community meeting later this month. Thank you for heeding our suggestion to leave a faucet dripping through the cold weeks in January, especially when the temperatures dropped below zero a couple of nights. We had a few frozen pipes, and Wickey and Dylan were able to assist with those. We suggest that you leave the faucets dripping if we have any additional cold spells the remainder of the winter, to avoid frozen pipes.

Board Members

Currently, our Board is comprised of three members, instead of the intended five. We aim to restore the Board to its full capacity of five members with the next election. Interested individuals are encouraged to submit a letter of interest to Terri. These letters will be presented to the owners, who will then vote for their preferred candidates in the upcoming election in April 2025.

We have a dedicated team: Wickey and Dylan work diligently to maintain operations and address issues as they arise. Terri, our property manager, excels in her role, often working additional hours to ensure smooth operations.

We are in the process of drafting the budget for 2025 and have an upcoming capital reserve study to be conducted by Becht Engineering.

Treasurer's Report:

<ul style="list-style-type: none">• Capital Reserve Account: \$163,734.06 (pending Jan. Contribution of \$9558.00)
<ul style="list-style-type: none">• Savings Account: \$583,817.50
<ul style="list-style-type: none">• Checking Account: \$126,002.39
<ul style="list-style-type: none">• Assessment Account: \$155,814.17
<ul style="list-style-type: none">• These balances are current as of 3:15pm, Thursday February 6, 2025

If you have any questions, issues, or concerns that need attention, please email the office, and Terri will relay them to the Board.