

MyMondrian keeps all owners and residents up to date about what is happening at the Mondrian.

This 13th edition of the MyMondrian Newsletter includes:

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What's happening with the Pool?

A key priority is to get the pool refurbishment complete. The background to the extra work required has been shared with owners in previous editions of MyMondrian. You may recall that rectification of the pool is the responsibility of the builder appointed by our home owners warranty insurer "HOWI".

A site meeting just before Christmas identified a number of issues with the rendering and tiling, which had the potential to impact on the final quality of the new pool finish. External tests are being undertaken on both the render and the tiling work. The results of these tests mean that the builder must address additional concerns prior to proceeding further. As long as these concerns are satisfactorily addressed, then work can proceed to complete the tiling, the resurfacing and the restoration of the decking and landscaping. Regular updates on progress will be provided to residents.

High Speed Broadband for Residents

High speed broadband is now available to Mondrian residents. Faced with delays in the rollout of the NBN and uncertainty as to whether it would be months or years before an NBN connection would become available, the EC arranged for Opennetworks to provide an Airfibre connection from a neighbouring building / node to Mondrian. The installation was completed at no cost to the Mondrian owners corporation and has the potential to provide download speeds of up to 100mbps and upload speeds of up to 40mbps. Residents who wish to connect to high speed broadband need to choose an ISP (internet service provider). Details of those providers supported by Opennetworks are shown on their website www.opennetworks.com.au. Contact the provider of your choice to arrange a connection.

Mondrian has also been contacted by both the NBN and TPG, who have expressed interest in building a connection. Whilst connecting through these carriers will eventually increase the range of ISP's to choose from, at the moment it is unclear whether it will be years or months before these carriers install connections in our building.

Fire Defects Rectification Work and the Cost

MyMondrian readers would be aware that there is an ongoing claim against Allianz, the home owners warranty insurer "HOWI", for the costs of rectifying identified fire defects, many of which relate to fire dampers in apartments. Negotiations with Allianz have been ongoing but the owners corporation cannot postpone carrying out these works in the expectation that the insurer will fund them. A final claim has to be made on the HOWI by September of this year and the deadline for fire order compliance is 31 December 2015. Subject to some further work by fire engineers Mondrian will shortly be in a position to tender out this work for

completion within the coming months. Indications are that the cost of the work could be up to \$1million.

Does Mondrian borrow \$1m or strike a Special Levy ?

The costs of rectifying the remaining fire defects need to be funded by Mondrian owners. Part or all of this may eventually be recovered from the HOWI, but in the meantime Mondrian owners need to raise the funds to pay for the work. In the short run some of our funds in the Sinking Fund may be utilised to pay for part of the work, but the Sinking Fund will need to be replenished to properly cover the expenses of future years (eg. painting costing approx \$400,000 is scheduled for 2016/2017).

Depending on the costs of the work Mondrian could need to raise up to \$1m either by borrowing or by means of a special levy. A special levy would amount to some \$7,000 for the average lot. Because of the size of this levy and its impact on owners, borrowing has to be seriously considered as an alternative. Borrowing by the owners corporation would be unsecured and is attractive in that it not only obviates the need for a special levy, but it lends itself to early repayment, should funds be recovered from the HOWI. Borrowing of course involves repayments in future years and making these repayments would increase Mondrian levies in future years. It is proposed that an Extraordinary General Meeting of owners be called to resolve upon the most appropriate way of funding these works.

Repairs to Balcony Membranes

The HOWI's contractor Biltbeta, who were on site throughout 2014, will be completing their work in the coming weeks. Following a tender process Everest Contracting has been engaged by Mondrian to replace balcony membranes in a further 17 apartments. If you are aware of any balcony leaks from or into your apartment, now is the time to contact the building manager to ensure that they are included in this contract. For those with apartments affected by the work we ask for your cooperation and forbearance in getting the work done in as timely a way as possible. If you have tenants in your apartment, you may wish to highlight to them the need for contractor access in the coming year.

Hot Water Plumbing Failures

The incidence of failures in the hot water pipework in the car park is increasing and measures have been taken to reduce the cost of repairs by purchasing a specialist machine for installing the necessary polybutylene fittings. This has already halved the cost of each attendance by the plumber. Constantly repairing failed hot water pipes is, however, leading to budget overruns and is not a sustainable solution. A J Whipps, hydraulic consultants, have therefore been commissioned to carry out tests and develop a solution for replacement of the pipework and/or redesign of the hot water reticulation system. Their report is due in the coming weeks. Early indications are that there may be quality issues with the manufacturing of the pipes and that the owners corporation may need to consider their replacement and whether or not to seek recovery of costs from the manufacturer.

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