

Capital Hill Apartments, UP3259.  
**EXECUTIVE COMMITTEE MEETING # 146**  
**MINUTES**

**Thursday 8 June 2023, 11am-1pm.**  
**Apartment 204, 19 State Circle, Forrest.**

**Attendance:**

**Executive Members:** Dermot Casey (DC) 204/19 (Acting Chair), Gaye McDermott (GMcD) 203/17, Linden Orr (LO) 204/19. Kim Farrant (KF) 23/21, Geraldine McGregor (GMcG) 12/19, Peter Ford (PF) 115/21, Janet Hirst (JH) 101/17, Nissanka Dasanayaka (ND) 6/17

**Bright & Duggan (B&D):** Virginia Sinlao (VS).

**Meeting opened at 11.00am.**

**1. Minutes**

- a. **Resolved:** Minutes of ECM145, 2 May 2023, as circulated be accepted, noting that that JH is at 101/17. **Action:** VS to circulate Minutes to owners, & post to Stratamax portal and CHA webpage.

**2. Matters arising**

- a. **Noted:** In respect to EPC Solar certification VS advised that although EPC has now lodged the SCR (registration certificate) with Evo Energy, they have yet to complete certification process and advise the electricity provider of the completed installation. VS is continuing to pursue this issue.
- b. **Noted:** As a result of 2 (a), VS has advised CHU that the insurance claim cannot be closed as the solar system has yet to be tested and certified.
- c. **Noted:** That this item is discussed on agenda.

**3. Governance: New Committee.**

- a. **Resolved:** That the previous rate of honoraria be continued. Chair-\$300; Treasurer \$200; Members \$100. To be deducted from levy payments.

**4. Waterproofing Priority Project**

- a. (1) Members **noted** that remediation work for 109/19 and 15/19 had been tendered through OPA to two providers. DC, GMcG and VS met to review tenders received and be briefed by OPA. Partum Projects were preferred tenderer. However, it was unclear whether OPA had advised that this was a fixed price tender as no provision made in quotation for contingency. EC determined that further information on pricing is required before a decision could be made. [EC subsequently **agreed**, out of session, to accept a Partum Projects revised quotation, still below alternative tenderer, subject to contract negotiations]

- (2) Members **noted** a quotation for Construction and Contract Administration for 109/19 and 15/19 from OPA and **agreed** that the OPA quotation be accepted.
- b. (1) Members were advised that insurer would not consider remediation to internals of 30/23, arising from water ingress, until advised that permanent waterproofing work had been completed to prevent reoccurrence. EC **agreed** that progressing this claim was a priority.
- (2) Members **noted** quotation for Existing Conditions documentation and Tender Construction documentation from OPA and determined to seek further clarification from OPA prior to decision.
- c. (1) Members **noted** from advice circulated and provided by OPA, that the original architectural design for Capital Hill Apartments had provided for a system of waterproofing membranes and tiling on pedestals particularly on the 1<sup>st</sup> floor terraces, that has now been installed as the basis of the 'proof of concept' remediation project on the terrace of unit 115.
- (2) Members **noted** that a number of investigation reports (previously circulated) have identified some areas of common concern regarding water ingress issues, mainly on open terraces on first floor. These terraces are in fact the roofs of the one-bedroom units built below them. Investigations through OPA and 6 Star Plumbing had determined that the original waterproofing applied below the tiles and screed construction was not a membrane construction and was inadequate and not as required in the original architectural plans. Failure of 'waterproofing' has been found in base of unit sliding door to terrace, waterproofing between vertical precast walls and horizontal concrete terrace floor and cracking in concrete terrace allowing water to track into unit below and penetrate the ceiling. The latter may have resulted from movement in buildings which, although not uncommon, may not have resulted in water leaks if an appropriate waterproof membrane had been applied originally.
- (3) Members **noted** that there are three further 1<sup>st</sup> floor terraces (in addition to 115 and 109) that have been identified as possibly requiring full remediation with associated water damage to units below (this represents more than 60% failure in 1<sup>st</sup> floor terraces). In addition there are two (possibly 3) 2<sup>nd</sup> floor terraces that have been identified as the origins of water ingress in the 1<sup>st</sup> floor apartments below. All these water ingress issues occur on south facing terraces. These are still under investigation. Temporary measures to manage the water leaks have been put in place but they do not represent a permanent fix.
- (4) To date, although having the same tiles set on screed design, there have been no recorded occurrences of failure of waterproofing on the front terraces of all buildings (North facing- State Circle). This may be partly because they are covered and most of the adverse wet weather comes from the west or south.
- (5) In summary, to address the current water leaking issues the Body Corporate will need to be advised that current available funds are inadequate and that a mechanism such as a special levy will be required from owners. VS advised that there are four strata loan companies in Australia that specialize in providing unsecured funding to Body Corporates for these needs. These funding arrangements provide for both owner occupier and owner investors. A Special General Meeting is proposed in the next two months, to put forward to owners the current funding requirements.

## 5. Treasurers Report

- a. **Resolved:** to note end of May financial Report, noting that whilst the funds balance appears healthy, accrued liabilities arising from agreed expenditure of sinking fund will reduce this over the coming financial year.
- b. **Noted:** That the term deposit of \$108,000 would mature in July 2023. In light of current anticipated financial needs of the OC, it was **agreed** that the term deposit would be discontinued and funds transferred to be available for Sinking Fund.
- c. **Noted:** That further work was required to get a more accurate appraisal of anticipated costs of water proofing remediation. The cost of the completed prototype remediation for terrace of unit 115 and repairs to apartment 23 has been circa \$250,000. The anticipated total costs of remediation of the terrace of 109 and repairs to apartment 15 (not all as a consequence of water ingress from 109) estimated at similar amount. Further consultations with 6-star Plumbing will be required to provide better estimates of likely expenditure.  
**Agreed action:** VS requested to identify possible dates for the calling of a Special General Meeting to put current situation and funding implications to owners.
- d. It was noted that the current split of levy between Administrative (annual running costs) and Sinking Fund (capital costs) is approximately 3:1. Members were advised that GMcG has commenced a review of all provider agreements to better understand scope of services being provided, costs and opportunities for savings. This will be provided to owners when consideration is given to a proposed budget for 2023-24 at the forthcoming AGM.
- e. Members were advised that UP3259 has 10,000-unit entitlements, the basis on which the distribution of levy contributions is calculated. To achieve funding of a \$1 million special levy would require a \$100 per unit-entitlement contribution.
- f. Members were advised that architectural and engineering advice that had been received suggested that it was possible, that there would be further occurrences of waterproofing failure in the future. It was **agreed** that future budgets should be developed to reflect this risk and that a higher \$ per unit-entitlement for the sinking fund should be incorporated in calculations of future years budgets to reflect this risk in addition to other expected sinking fund needs.
- g. It was **agreed** that ND be appointed Treasurer.

## 6. Building Management

- a. It was **noted** that the ACT Civil and Administrative Tribunal had determined, through mediation, that the owner of apartment 23, pay compensation to a tenant, arising from significant water damage that arose from and during the remediation of the terrace of 115. It was **agreed** that this amount should be remunerated to the owner and subsequently included in any insurance claim to be progressed. VS requested to advise on appropriate budget heading to which this expenditure be attributed.
- b. It was **noted** that B&D had provided a notice of breach by virtue of noise to the owner of an apartment. It was **noted** that there has not been any further complaint by the affected tenant to date.
- c. PF advised that there was not a requirement to amend Rules in relation to use of balconies and that the development of appropriate standards would provide sufficient advice to tenants and owners.

- d. VS advised that both Blitz Security and Schindler Lifts had attended to investigate failure of security fobs in building 17. It has been agreed to replace the controller for this building.
- e. It was discussed whether the heating/cooling controls in the common areas of each building have been pre-set and controlled. VS requested to investigate with electrician and if necessary, request advice from electrician to ensure that they are appropriately able to be controlled.
- f. GMcD requested that EC agrees to installation of temporary measure to parking space 36, following repair of leaking pipe as plumber still uncertain as to whether there was a further leaking issue. Agreed. VS to follow up with plumber for action/advice.
- g. GMcD advised that trees at the rear of the complex require trimming. ND also noted that the wire restraint attached to the big oak tree is causing damage where it is attached to building. Both require further investigation/action. VS to **action**.
- h. **Noting** 5 d. above and the current expenditure on garden maintenance circa \$20,000 a group of owner occupiers have proposed that a garden group be established with volunteers to complete some of the simpler garden tasks that do not require equipment. Members **agreed** to further investigate this proposal.
- i. **Noting** the initial exploratory findings of 5 d. it appears that there is no QA process for regularly evaluating services agreed and paid for. It is proposed that Monitors be identified in each building to be provided for service schedules and ask to QA delivery. PF, GMcD and GMcM agreed to undertake this role for buildings 21, 17, 19 respectively. DC to seek a volunteer for building 23.

## 7. Other Business

- a. PF identified motions agreed at last AGM that had not yet been addressed. PF tabled paper regarding EV charging (one outstanding matter) that provided members with the current stage of policy development within the ACT. It would require further work to obtain views from owners on the way forward. PF agreed to circulate a list of other outstanding issues and members were invited to volunteer to take responsibility for exploring 'an issue'. This included a request to consider re-installing the green exit button for garage door.
- b. It was noted that further discussion regarding appropriate time frames to apply to communications from the managing agent, be deferred until a further meeting.

## 8. Next Meeting.

Next meeting will be determined following advice on when a Special General Meeting can be held.

**Meeting closed 1.15pm.**

**Dermot Casey,  
Acting Chair UP3259**

**12 June 2023.**