

Mountainside Villas Owners Association  
Board of Directors Meeting  
June 13, 2015

Present at the Commencement of the Meeting: Ken Irish, Andy Blaher, Frank Spielman, Mary Stracener, Rhonda Griffith, Mike Kuzma, Wayne Ford, Jeff Reid, Kenneth Roko and Eric Page, Attorney

Absent: Peter Stark

Committee Members: Evynn Blaher, Bobbi Prees and Thomas Little

Representing Management: Jocelyn Carl and Jeremy Grogg

Visitors: Beverly Stern, Lance and Beth Tate and Margaret Little

The meeting was called to order by the Board President, Ken Irish. The meeting opened with a motion to waive the reading and approve the minutes from the March 28, 2015 Board meeting. The motion was seconded and approved.

### **Executive Committee**

No Report

### **Treasurer's Report**

Frank Spielman, Budget Committee Chairperson, stated that MVOA recently invested into a new investment with a face value of \$135,000 at 2.4% which will mature in 2023. This will replace those investments that mature in November of 2015. The CEC collections for the month of May are at 85% which is 2.5% below last year at the same time. Mr. Spielman stated that the special assessment collection as of April is at 84%. The statement of operations indicates that MVOA is operating within positive territory for the year. Total operating expenses are above estimates. Mr. Spielman stated that the capital plan for the 2016 preliminary budget, is \$865,000.00 of which \$30,000.00 will go to the reserve funds. This is the second installment to pay back the reserve funds for monies borrowed to complete the deck replacement. Mr. Spielman stated that the basic capital expenditure for 2016 includes entry step replacement, upstairs bathrooms renovation and refrigerators. The 2017 projected capital expenditure is above the allowance of \$865,000.00 by \$109,000.00. Mr. Spielman stated there were several line item increases in the 2016 budget. The committee will present the final version to the board at the September meeting.

### **Membership Committee**

Mary Stracener, Membership Committee Chairperson, stated that guest comment cards from week 22 this year were compared to the same time period last year. The satisfaction rating increased for the units receiving low points of '2' last year to '5' this year. Ms. Stracener stated MVOA's RCI's point's recognition for MVOA units were at their highest ever over last six months. Front Desk achieved a perfect score in December and February.

### **O & M Committee**

Andy Blaher, O&M Committee Chairperson, stated that the maintenance department is doing well in spite of one vacancy. Applications for the vacancy are being considered. The maintenance RCI score for April was 4.7. Mr. Blaher recommended changing the vanity top selection for upstairs bathes from the cultured granite to real granite for half the current price. The inlay bowl can be replaced separately when necessary. This will decrease capital cost for the bathroom renovation. The Welcome Center carpet will be replaced next year with tile. This is due to the carpet and padding being continually stained.

The new electric fireplaces will have trim kits built and installed by MVOA staff instead of purchasing the trim kit. It looks good and is cheaper.

A commercial dryer in the laundry department has failed and needs to be replaced as soon as possible. Monies will be taken from the HVAC account, entry step replacement project and savings from the upstairs bath renovation.

### **Policy Committee**

Ken Irish, Board President referred board members to the updated Member Mailing List Policy. State law does not allow release of contact information of any MVOA owners without their specific written approval from the owner. A motion was made to approve the new policy and it was seconded.

### **Great Eastern**

Jeff Reid, reporting for Great Eastern, stated that they have been preparing for the busy summer months. This year Great Eastern has brought several international students on staff in housekeeping and aquatics. Mr. Reid stated that the Snow Sports Learning Center will be finished and will get its certificate of occupancy this month. The Regal Vistas units continues in their construction. The Massanutten Entertainment Guide has been revamped and is now called the 'Massanutten Magazine'. It has forty pages and includes many items to hopefully bring readers to the valley.

### **Nominating Committee**

Rhonda Griffith, Nominating Chairperson, stated that MVOA is coming up on the season again to receive applications for the process of voting for board positions. There are six positions on the ballot. Ms. Griffith stated that three incumbents are up for re-election this year. They are, Ken Irish, Mary Stracener, and Peter Stark. For persons interested, the applications need to be in by August 14, 2015 and the form is available on the MVOA website.

### **MPOA Representative**

Wayne Ford, MPOA Representative, stated that MPOA had their annual meeting last month. MPOA elected three new people. Mr. Ford stated that the Massanutten Police Department has been chartered as an independent police department and is no longer a sub-unit of the County Sheriffs' Department. MPOA is having road painting done in July and to be aware of this.

### **Unit Disposition**

Mike Kuzma, Unit Disposition Chairperson, stated that fifty three (53) unit/weeks were listed for the closed bid auction in the spring newsletter. Four (4) bids were received, one of which was a single bid from Great Eastern for each unit/week. The bids were reviewed with the board. A motion was made to accept the offer of the three (3) individual bids, give Great Eastern sixteen (16) units, retain eighteen (18) units for MVOA's rental program and list the remaining sixteen (16) units in the summer newsletter. The motion was seconded and approved. The committee recommended using an outside source to try and sell the units

### **Old Business**

Andy Blaher, stated that the processes to bring Comcast's Internet Service to MVOA is moving slowly, but progress is being made with hopes that by the annual meeting this project will be completed.

### **Status of Proposed Water and Sewer Rate Increase**

#### **Background:**

The Massanutten Public Service Company (MPSC) provides water and sewer service to the Massanutten resort area community. MPSC services are regulated by the VA State Corporation Commission. MPSC has requested the Commission to approve a rate increaser for the water and sewer services. Water and sewer services rates are based on four classes of users: Residential, Hospitality. Commercial. Hospitality includes hotels and timeshare.

The proposed rates compared to current rates:

Class	Water Rate Increase (%)	Sewer Rate Increase (%)
Residential	0.736	-6.898
Commercial	25.396	23.013
Hospitality (includes Timeshare)	26.396	19.08
Water Park	99.885	90.425

Great Eastern takes issue with the Water Park and Hospitality increases and has filed with the Commission their concern and counter proposal. MVOA has hired Eric Page to represent before the Commission.

The Commission will hold Hearings July 2015 to consider the MPSC proposal and Great Eastern's proposal. Our position is that Timeshare should either be a separate Class or included in the Residential Class. Eric Page will argue our position before the Commission.

Eric Page updated the Board on the status of actions taken pending the Hearings which includes filing deposition addressing testimony to be given by MVOA's General Manager Jocelyn Carl. The deposition includes numerous supporting documents requested by MPSC, many of which are redundant or already available from their billing data.

Board members asked Mr. Page the following questions:

1. Is MVOA supporting Great Eastern in reference to the water rate change? Answer: Yes. Mr. Page is working directly with Great Eastern's lawyers.
2. Do we have experts of our own to support our Mountainside position on this? Answer: No. Experts are very expensive. We are relying on Great Eastern's Expert witnesses. Mr. Page will cross examine the MPSC witnesses and Commission staff concerning our Classification issue.
3. Are there situations similar to this happening anywhere else in the U.S.? Answer: Probably. Great Eastern's lawyers will investigate similar cases to see if a legal precedence has been established.
4. Does the company come up with a "high rate" figure on purpose and tell the business what they're going to pay, knowing that the business is going to fight it and pay a lesser amount than the water supplier figures they will get? Answer: The requested rate has to be supported with factual data. The Commission staff's job is to analyze the rate increase request and to determine if it is justified. The Commission staff will either support MPSC's request or develop and alternative rate increase proposal for consideration by all parties.

### **New Business**

No Report

With no additional business to be brought before the Board, a motion was made to adjourn. The motion was seconded and approved. The Mountainside Villas Owners Association Board of Directors Meeting adjourned at 11:30 am