

#### **OPEN SESSION**

#### **REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

#### Tuesday, March 15, 2022 - 9:30 a.m. Laguna Woods Village Community Center Board Room/Virtual Meeting 24351 El Toro Road Laguna Woods, California

#### NOTICE OF MEETING AND AGENDA

The purpose of this meeting is to conduct the regular Third Mutual Board Meeting in accordance with *Civil Code* §4930 and was hereby noticed in accordance with *Civil Code* §4920

- 1. Call meeting to order / Establish Quorum President Mutchnick
- 2. Pledge of Allegiance Director Rane-Szostak
- 3. Acknowledge Media
- 4. Approval of Agenda
- 5. Approval of Minutes
  - a. February 4, 2022 Agenda Prep Meeting
  - b. February 15, 2022 Regular Open Meeting
  - c. February 22, 2022 Special Open Meeting
  - d. March 4, 2022 Agenda Prep Meeting
- 6. Report of the Chair
- 7. Presentation by Dennis Cafferty, General Manager of El Toro Water District
- 8. Update from VMS Board Director Unger
- **9. Open Forum (Three Minutes per Speaker)** At this time Members only may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. The board reserves the right to limit the total amount of time allotted for the Open Forum to thirty minutes. A member may speak only once during the forum. Speakers may not give their time to other people, no audio or video recording by attendees, and no rude or threatening comments. Members can attend the meeting by joining the Zoom

link <u>https://zoom.us/j/94899806730</u> or call 1 (669) 900-6833 or email <u>meeting@vmsinc.org</u> to have your message read during the Open Forum.

#### **10.** Responses to Open Forum Speakers

#### 11. CEO Report

- **12. Consent Calendar** All matters listed under the Consent Calendar are recommended for action by committees and will be enacted by the Board by one motion. In the event an item is removed from the Consent Calendar by members of the Board, such item(s) shall be the subject of further discussion and action by the Board.
  - **a**. Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual preliminary financials for the month of January 2022, and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code §5501.

#### b. Recommendation from the Landscape Committee:

- (1) Recommend to Deny Tree Removal Request: 3320-B Bahia Blanca W. One Indian Laurel Fig Tree
- c. Recommendation from the Finance Committee:
  - (1) Approve a Resolution for Recording a Lien against Member ID # 931-470-53
  - (2) Approve a Resolution for Recording a Lien against Member ID # 931-460-20

#### 13. Unfinished Business

- a. Entertain a Motion to Approve a Revised Alteration Fee Schedule (FEBRUARY Initial Notification—28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)
- b. Entertain a Motion to Approve a Contractor Violation Policy (FEBRUARY Initial Notification—28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)
- c. Entertain a Motion to Approve a Revision to the Water Heater Enclosure Disposition (FEBRUARY Initial Notification—28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)
- d. Entertain a Motion to Approve Additional Occupancy Fee (FEBRUARY Initial Notification—28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)

#### 14. New Business

a. Entertain a Motion to Approve the 2022 Annual Election Schedule and Approve a Resolution Appointing the Inspector of Elections

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b. Entertain a Motion to Approve a Resolution Appointing the Inspector of Elections for the Recall Vote on June 3, 2022

#### **15. Committee Reports**

- **a**. Report of the Finance Committee / Financial Report Director Rane-Szostak. The committee met on March 1, 2022; next meeting April 5, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
  - (1) Treasurer's Report
  - (2) Third Finance Committee Report
  - (3) Resales/Leasing Reports
- Report of the Architectural Controls and Standards Committee Director Mutchnick. The committee met on February 28, 2022; next meeting March 28, 2022 at 9:30 a.m. in the Board Room and as a virtual meeting.
- **c**. Report of the Communications Committee Director McCary. The committee met on January 12, 2022. The next meeting is April 13, 2022, at 1:30 p.m. in the Willow Room and as a virtual meeting.
- **d.** Report of the Maintenance and Construction Committee Director Engdahl. The committee met on March 7, 2022; next meeting May 2, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
  - Report of the Parking and Golf Cart Subcommittee Director Laws. The subcommittee met on January 19, 2022; next meeting March 23, 2022 at 1:30 p.m. in the Board Room and as a virtual meeting.
  - (2) Garden Villa Rec. Room Subcommittee Director Jarrett. The subcommittee met on February 23, 2022; next meeting May 26, 2022 at 1:30 p.m. in the Board Room.
- e. Report of the Landscape Committee Director Jarrett. The committee met on March 3, 2022; next meeting April 7, 2022 at 9:30 a.m. in the Board Room and as a virtual meeting.
- f. Report of the Water Conservation Committee Director Rane-Szostak. The committee met on February 24, 2022; next meeting April 28, 2022, at 2:00 p.m. in the Sycamore Room.
- **g**. Report of the Resident Policy and Compliance Committee Director Mutchnick. The committee met on March 2, 2022; next meeting April 26, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.

#### 16. GRF Committee Highlights

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- **a**. Community Activities Committee Director McCary. The committee met on March 10, 2022; next meeting, April 14, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
  - Equestrian Center Ad Hoc Committee Director McCary. The committee met on January 26, 2022; next meeting March 30, 2022, at 1:00 p.m. as a virtual meeting.
- **b**. GRF Finance Committee Director Rane-Szostak. The committee met on February 16, 2022; next meeting April 20, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- **c.** GRF Landscape Committee Director Lewis. The committee met on March 9, 2022; next meeting June 8, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- **d.** GRF Maintenance & Construction Committee Director Engdahl. The committee met on February 9 2022; next meeting April 13, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.
  - (1) Clubhouse Facilities Renovation Ad Hoc Committee Director Frankel. The committee met on January 28, 2022; next meeting, TBA.
- e. Media and Communications Committee Director McCary. The committee met on February 22, 2022; next meeting March 21, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- f. Mobility and Vehicles Committee Director Cook. The committee met on February 2, 2022; next meeting April 6, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- **g**. Security and Community Access Committee Director Wayne. The committee met on February 28, 2022; next meeting April 25, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
  - (1) Disaster Preparedness Task Force Director Rane-Szostak. The task force met on January 25, 2022; next meeting March 29, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.
- **h.** Report of the Laguna Woods Village Traffic Hearings Director Frankel. The hearings were held on February 16, 2022; next meeting March 16, 2022 at 9:00 a.m. as a virtual meeting.
- i. GRF Strategic Planning Committee Director Lewis. The committee met on March 7, 2022; next meeting May 2, 2022 at 9:30 a.m. in the Board Room and as a virtual meeting.

- **j.** Revenue Resources Ad Hoc Committee Director McCary. The committee met on March 8, 2022; next meeting TBA.
- **k.** Information Technology Advisory Committee Director Laws. The committee met on March 11, 2022; next meeting March 18, 2022, at 1:30 p.m.
- **17.** Future Agenda Items-- All matters listed under Future Agenda Items are items for a future Board Meetings. No action will be taken by the Board on these agenda items at this meeting. The Board will take action on these items at a future Board Meeting.

#### 18. Director's Comments

**19. Recess** - At this time the Meeting will recess for lunch and reconvene to Executive Session to discuss the following matters per California Civil Code §4935.

#### **Closed Session Agenda**

Approval of Agenda Approval of the Minutes (a) February 15, 2022—Regular Closed Session Discuss and Consider Member Matters Discuss Personnel Matters Discuss and Consider Contractual Matters Discuss and Consider Litigation Matters

20. Adjourn

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**OPEN SESSION** 

#### MINUTES OF THE AGENDA PREP MEETING OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

#### Friday, February 4, 2022 - 9:30 a.m. Virtual Meeting 24351 El Toro Road Laguna Woods, California

The purpose of this meeting was to discuss agenda items for the Third Board Regular Meeting Civil Code §4930

Directors present:	Robert Mutchnick, Annie McCary, John Frankel, Ralph Engdahl, Craig Wayne, Cush Bhada, Donna Rane-Szostak, Jim Cook, Mark Laws, Nathaniel Lewis, Lynn Jarrett		
Directors absent:	None		
o			

Staff present: CEO-Siobhan Foster, Grant Schultz, Michelle Estrada, Makayla Thomas, Kurt Wiemann, Carlos Rojas

Others present: None

- 1. Call Meeting to Order / Establish Quorum President Mutchnick called the meeting to order at 9:30 a.m. and established that a quorum was present.
- 2. Approval of the Agenda

By consensus, the agenda was approved.

3. Discuss and Consider Items to be placed on the Third Board Regular Meeting Agenda (open & closed session) on February 15, 2022 Kurt Wiemann answered questions from the Board regarding the Revised Resolution for a Stepping Stones Policy and Guidelines on the agenda.

Kurt Wiemann exited the meeting at 9:50 a.m.

The Board approved the agenda by consensus.

4. Director Comments – None

Third Laguna Hills Mutual Agenda Prep Open Meeting February 4, 2022 Page 2 of 2

#### 5. Adjournment

The meeting was adjourned at 10:28 a.m.

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Lynn Jarrett, Secretary of the Board Third Mutual Laguna Hills



#### **OPEN SESSION**

#### MINUTES OF THE REGULAR OPEN MEETING OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

#### Tuesday, February 15, 2022 - 9:30 a.m. Laguna Woods Village Community Center Board Room/Virtual Meeting 24351 El Toro Road Laguna Woods, California

- Directors Present: Robert Mutchnick, Annie McCary, Ralph Engdahl, John Frankel, Jim Cook, Mark Laws, Nathaniel Ira Lewis, Donna Rane-Szostak, Lynn Jarrett, Craig Wayne
- Directors Absent: Cush Bhada
- Staff Present:Siobhan Foster-CEO, Grant Schultz, Michelle Estrada,<br/>Makayla Thomas, Robbi Doncost, Manuel Gomez, Pamela<br/>Bashline

Others Present: VMS-Rosemarie diLorenzo

#### 1. Call meeting to order / Establish Quorum – President Mutchnick, Chair

President Mutchnick called the meeting to order at 9:30 a.m. and established that a quorum was present.

#### 2. Pledge of Allegiance

Director Frankel led the Pledge of Allegiance.

#### 3. Acknowledge Media

The media was acknowledged online and through Village Television.

#### 4. Approval of Agenda

President Mutchnick asked for a motion to approve the agenda.

Director Rane-Szostak made a motion to approve the agenda. Director Laws seconded the motion.

Hearing no changes or objections, the motion was approved unanimously.

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#### 5. Approval of Minutes

- a. January 7, 2022 Agenda Prep Meeting
- b. January 18, 2022 Regular Board Meeting
- c. February 1, 2022 Special Open Meeting
- d. February 3, 2022 Emergency Open Meeting
- e. February 4, 2022 Agenda Prep Meeting

President Mutchnick would like the January 7, 2022 – Agenda Prep Minutes to reflect that his absence was excused. Additionally, he abstained from approving any minutes from meetings in which he was not in attendance.

Director Laws would like the January 18, 2022 – Regular Board Minutes item 14b to reflect that Director Cook made a motion not Director Lewis.

Director Lewis abstained from approving any minutes from meetings in which he was not in attendance.

President Mutchnick asked for a motion to approve the minutes as amended.

Director Wayne made a motion to approve the minutes of January 7, 2022 – Agenda Prep Meeting, Januaury 18, 2022 – Regular Board Meeting, February 1, 2022 – Special Open Meeting, February 3, 2022 – Emergency Open Meeting, February 4, 2022 – Agenda Prep Meeting. Director Frankel seconded the motion.

Hearing no further changes or objections, the minutes were approved as amended with Directors Mutchnick and Lewis abstaining.

#### 6. Report of the Chair

President Mutchnick welcomed Siobhan Foster to her first meeting with the Third Board as the new CEO.

#### 7. Update from the VMS Board

VMS President diLorenzo gave an update from the last VMS Board Meeting accompanied with a presentation:

- Commitment to excellence and dedication to service for success.
- Restructure of organization and promoting from within.
- Promotion of Siobhan Foster from COO to CEO.
- Promotion of Carlos Rojas from Director of Security to Director of Operations.
- Promotion of Catherine Laster from Management Analyst to Services Manager.
- Financial Services Department promotion of Steve Hormuth, Director of Financial Services, and Jose Campos, Assistant Director.
- Key performance indicators focusing on Manor Alterations, Resales, and Damage Restoration/Moisture Intrusion.
- Strategic Planning Meeting is scheduled for March 22, 2022. Representatives from VMS, GRF, Mutual Boards, and department heads will participate.

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CEO Foster and Chair diLorenzo answered questions from Director Laws.

**8. Open Forum (Three Minutes per Speaker)** - At this time Members only addressed the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. The Board reserves the right to limit the total amount of time allotted for the Open Forum to thirty minutes. A member can speak only once during the forum. Speakers may not give their time to other people, no audio or video recording by attendees, and no rude or threatening comments. Members can attend the meeting by joining the Zoom link <u>https://zoom.us/j/94899806730</u> or call 1 (699)900-6833 or email <u>meeting@vmsinc.org</u> to have your message read during the Open Forum.

- A member commented on the recall petition for President Mutchnick, focusing on the rejection of several petitions.
- Several members commented in favor of a higher occupancy fee.
- Several members commented in opposition of a higher occupancy fee.
- Several members recommended that the board consider crediting those with only one occupant.
- A member commented on the donations made by The Foundation to support the community members experiencing financial hardship during the pandemic.

#### 9. Responses to Open Forum Speakers

- President Mutchnick suggested that future member comments be minimized to a list of residents who are in support or opposition of a particular issue. An e-mail will be sent out tomorrow listing a number of issues going on 28-day notice. Sales of property are currently charged by GRF and not Third Mutual.
- Director McCary asked President Mutchnick for clarification on United, GRF, and Third assessment fees. President Mutchnick provided an overview of the fees.

#### 10. CEO Report

CEO Siobhan Foster reported on:

- Resident Services is now open Monday Friday from 8:00 a.m. to 5:00 p.m. Residents are encouraged to continue utilizing the online portal.
- The Recreation and Special Events Department is planning the re-opening of Clubhouse 6. Hours of operations are Mondays, Wednesdays, and Fridays from 9:00 a.m. to 4:00 p.m. Volunteers are sought for a 4 – 8 hour commitment.
- Solid waste transition from Waste Management to CR&R facing challenges impacted by Covid-19. Bulky-item pick-up will increase from monthly to weekly. Residents are to visit cityoflagunawoods.org/lwvorganics to view a map of organic cart locations. Resident Services will no longer be the point of contact for trash related concerns; residents are to contact CR&R directly at 949-625-6735 or lagunawoods-recycles@crrmail.com.

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Manuel Gomez joined the meeting at 10:50 a.m.

Manuel Gomez provided a presentation on the following Maintenance & Construction Department Project Log:

- Dry Rot Program \$275,000
- Balcony/Breezeway Resurfacing \$110,039
- Prior-to-Paint Program \$1,166,430
- Exterior Paint Program \$1,238,831
- Foundations Program \$25,000
- Building Structures \$500,000
- Termite Control \$174,633
- Roof Replacement Program \$1,099,749
- Epoxy Waste Line Remediation \$700,000
- Copper Water Line Pipe Remediation \$500,000
- Gutter Replacement and Repair \$50,000
- Laundry Room Counter Tops & Flooring \$16,028
- Garden Villa Lobby Renovations \$12,000
- Electrical Systems \$30,000
- Exterior Lighting \$25,000
- Elevator Component Replacement Program \$105,000
- Asphalt Paving Program \$387,903
- Asphalt Seal Coat Program \$46,057
- Shepherd's Crook \$35,000

Mr. Gomez answered questions from the Board.

Mr. Gomez exited the meeting at 11:36 a.m.

**11. Consent Calendar** - All matters listed under the Consent Calendar were recommended for action by committees and were enacted by the Board by one motion. Items removed from the Consent Calendar by members of the Board were moved for further discussion and action by the Board.

President Mutchnick asked for a motion to approve the Consent Calendar as presented.

Director Laws made a motion to approve the Consent Calendar. Director Engdahl seconded the motion.

Director Lewis abstained from approval of the consent calendar.

Hearing no further changes or objections, the motion was approved with Director Lewis abstaining.

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**a.** Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual preliminary financials for the month of December 2021, and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code §5501.

#### b. Recommendation from the Landscape Committee:

 Recommend to Deny Tree Removal Request: 5473-A Paseo Del Lago E. – One Sugar Gum Eucalyptus tree

#### RESOLUTION 03-22-13 Deny the Request For Removal of One Sugar Gum Eucalyptus Tree 5473-A Paseo Del Lago E.

**WHEREAS,** February 16, 2021, that the Board of Directors adopted Resolution 03-21-10 Tree Maintenance Policy which states:

"...Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents' personal preferences concerning shape, color, size, or fragrance. Trees shall not be removed to preserve, enhance or create a view.

- Trees which are damaging or will damage a structure, pose a hazard, diseased, in failing health or interfering with neighboring trees, will be considered for removal.
- Removal requests will be reviewed by a staff arborist and, if necessary, referred to the Committee..."

WHEREAS, on February 3, 2022, the Landscape Committee reviewed a request from the Member at 5473-A to remove one Sugar Gum Eucalyptus tree. The Member cited the reasons as structural damage, overgrown, poor condition, and the tree is leaning;

WHEREAS, the Committee determined that the tree is not causing any damage nor is lean of concern, therefore this request does not meet the guidelines set forth in Resolution 03-21-10 and recommends denying the request for the removal of one Sugar Gum Eucalyptus tree located at 5473-A Paseo Del Lago E.

**NOW THEREFORE BE IT RESOLVED,** February 15, 2022, the Board of Directors denies the request for the removal of one Sugar Gum Eucalyptus tree located at 5473-A;

**RESOLVED FURTHER,** that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution.

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#### c. Recommendation from the Finance Committee

1. Approve a Resolution for Recording a Lien against Member ID # 937-990-21

#### RESOLUTION 03-22-14 Recording of a Lien

**WHEREAS**, Member ID 937-990-21; is currently delinquent to Third LagunaHills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, February 15, 2022, that the Board of Directors hereby approves the recording of a Lien for Member ID 937-990-21and;

**RESOLVED FURTHER**, that the officers and agents of this Corporation arehereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

2. Approve a Resolution for Recording a Lien against Member ID # 933-800-28

#### RESOLUTION 03-22-15 Recording of a Lien

**WHEREAS**, Member ID 933-800-28; is currently delinquent to Third LagunaHills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, February 15, 2022, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-800-28 and;

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

3. Approve a Resolution for a Notice of Sale against Member ID # 932-791-75

#### RESOLUTION 03-22-16

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#### Initiate Foreclosure (Notice of Sale)

**RESOLVED,** February 15, 2022 that the Board of Directors of this Corporation hereby authorizes initiation of foreclosure of a lien for delinquent assessments that has been validly recorded for parcel number 932-791-75; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

#### 12. Unfinished Business

12a. Entertain a Motion to Approve a Revised Resolution for a Stepping Stones Policy and Guidelines (JANUARY conditionally accepted pending board approval at FEBRUARY meeting- 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)

Director Jarrett read the following resolution:

#### RESOLUTION 03-21-17 Stepping Stone Policy and Guidelines

WHEREAS, on January 16, 2007, that the Board of Directors adopted Resolution 03-07-02 Approval to Revoke Alteration Standard Section 36 – Stepping Stones;

**WHEREAS**, Resolution 03-07-02, revoked the standard for stepping stones and required a variance application to the Architectural Committee;

**WHEREAS**, the Landscape Committee determined that stepping stones are temporary in nature and are placed within common area landscaping;

**WHEREAS**, the Landscape Committee determined that requiring a variance application is unduly burdensome for Members and the process could be simplified by use of the Landscape Request form.

**NOW THEREFORE BE IT RESOLVED,** January 18, 2021, the Board of Directors introduces the change from variance request to landscape request form and consideration thereof shall be performed by the Landscape Committee;

**RESOLVED FURTHER,** all new stepping stone installations shall be performed following the attached Stepping Stone Guidelines and all existing stepping stone installations not previously approved by Variance or Standard, shall be removed through the Compliance process or at Resale, whichever occurs first; Third Board Regular Meeting Minutes February 15, 2022 Page **8** of **16** 

**RESOLVED FURTHER,** Resolution 03-07-02, adopted January 16, 2007, is hereby superseded in their entirety and no longer in effect;

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution.

Director McCary made a motion to approve the resolution. Director Rane-Szostak seconded the motion.

Director Laws requested to remove the "a" from the drawing on page 12.

Hearing no further changes or objections, the motion was approved as amended unanimously.

# 12b. Entertain a Motion to Introduce Lease Authorization Renewal (JANUARY Initial Notification –28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)

Staff recommends amending the process and documents pertinent to the annual renewal of lease authorization applications.

Director McCary made a motion to approve the Resolution 03-22-18 Lease Authorization Renewal. Director Wayne seconded the motion.

Director Laws commented that he has concerns and would be voting "no" on the item.

Pamela Bashline joined the meeting at 11:13 a.m.

Pamela Bashline answered questions from the Board.

Hearing no changes, the motion was called to a vote and passed 6-3-2. Director's Laws, Lewis and Cook opposed, Director Engdahl abstained, Director Bhada was excused.

Pamela Bashline left the meeting at 11:40 a.m.

#### 13. New Business

**13a.** Entertain a Motion to Introduce a Revised Alteration Fee Schedule (FEBRUARY Initial Notification –postpone 28-days for member review and comments to comply with Civil Code §4360)

Robbi Doncost joined the meeting at 11:28 a.m.

Director Jarrett read the following Recommendation, Financial Analysis, and Resolution:

#### RECOMMENDATION

The Third Architectural Control & Standards Committee recommends the approval of the revision of fees as proposed within Resolution 03-22-XX for the new Revised Alteration Fee Schedule dated November 23, 2021.

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#### FINANCIAL ANALYSIS

The Attachment 1 - Financial Analysis indicates the changes to certain current fees and charges of the Alteration Fee Schedule with an estimated total increase of \$82,908 in additional revenue.

This total is due to increases in the following categories:

- 1. Alteration Fee Schedule fee will be increased to \$70;
- 2. The new Basic Variance fee will be increased to \$380;
- 3. The new Complex Variance Fee will be increased to \$662;
- 4. The Unauthorized Alteration Fee be increased to \$350;
- 5. The Permit Fee Valuation shall be increased by 40% for each value of escalation.
- 6. Resale Inspection Fees increased by \$100.

#### **RESOLUTION 03-22-XX** Alteration/Variance Processing Fee Policy

**WHEREAS,** alteration and variance requests require significant staff time for proper processing, including research, report preparation, and then presentation to the appropriate committee and then the Board; and

**WHEREAS,** in order to offset a portion of the administrative costs associated with processing variance requests, which is often followed by multiple resubmittals, and can be followed by an appeal to the Board as mandated in accordance with Resolution 03-13-105; and

**WHEREAS,** the following revisions are approved: 1. The Alteration Fee Schedule is revised to \$70; and 2. The new Basic Variance fee will be \$380; and 3. The new Complex Variance Fee will be \$662; and 4. The Unauthorized Alteration Fee will be increased to \$350; and 5. The Permit Fee Valuation shall be increased by 40%; and 6. The Resale fees will increase to the total amount of \$215 for the first and second inspection fees.

**WHEREAS,** the new Alteration Fee Schedule better aligns the fees with the administrative time it takes to process each task; and

**NOW THEREFORE BE IT RESOLVED,** March 15, 2022 to partially offset administrative costs associated with processing alteration and variance requests, the Board of Directors of this Corporation hereby revise the alteration and inspection fees as attached to the official minutes of this meeting the new Alteration Fee Schedule will be adopted; and

**RESOLVED FURTHER,** in the event that a member requires an "After the Fact" (ATF) Mutual Consent for work completed without prior appropriate authorization the following would apply as appropriate to the nature of the

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improvement work, defined as a member being responsible for: a Variance Fee if the work required variance approval; an ATF Mutual Consent Fee due to the work not having been applied for and permitted by Manor Alterations in advance of completion; a Mutual Consent Fee totaling the cost of an appropriate Mutual Consent Fee if the work had been properly approved; a Demolition Fee totaling the cost of the appropriate Demolition Fee if the work had been properly approved; and

**RESOLVED FURTHER,** that Resolution 03-17-120 adopted October 20, 2017 is hereby superseded and canceled; and

**RESOLVED FURTHER,** that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the resolution.

(FEBRUARY Initial Notification—Must postpone 28-days for Member review and comment to comply with Civil Code §4360)

Robbi Doncost answered questions from the Board.

13b. Entertain a Motion Introduce a Contractor Violation Policy (February Initial Notification—postpone 28-days for Member review and comment to comply with Civil Code §4360)

Director Jarrett read the following Recommendation and Resolution:

#### RECOMMENDATION

The Third Laguna Woods Mutual Architectural Control and Standards Committee (ACSC) recommends the Third Mutual Board adopt the proposed Contractor Violation Policy (Attachment 1) Exhibit A - Contractor Rules & Obligations (Attachment 2), to provide additional protections to members and mutual property as a result of the members hiring contractors that continue to violate mutual construction rules and regulations.

#### RESOLUTION 03-22-XX Contractor Violation Policy

WHEREAS, the purpose of the Contractor Violation Policy is to enact a unilateral and unambiguous matrix of violations, and potential ban, for contractors who violate current Mutual rules and obligations or exceed the scope of approval for a project; and

**WHEREAS**, this pending Resolution would make the Contractor Violation Policy permanent and provide a clear template for invoking penalties, inclusive of temporary or potentially permanent suspension from work Third Board Regular Meeting Minutes February 15, 2022 Page **11** of **16** 

within Laguna Woods Village with the allowance for approved timeline extensions; and

**WHEREAS,** the Third ACSC and Manor Alterations agree that the Contractor Violation Policy will be effective and both recommend the approval by the Board.

**NOW THEREFORE, BE IT RESOLVED,** on March 15, 2022, the Third Mutual Board hereby approve the Contractor Violation Policy as attached to these minutes; and

**RESOLVED FURTHER,** that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

# (FEBRUARY Initial Notification—Must postpone 28-days for Member review and comment to comply with Civil Code §4360)

Discussion ensued among the directors.

Robbi Doncost answered questions from the Board.

13c. Entertain a Motion to Introduce a Revision to the Water Heater Enclosure Disposition (February Initial Notification—postpone 28-days for Member review and comment to comply with Civil Code §4360)

Director Jarrett read the following:

The resolution was read into the record last month. It was conditionally approved if the wording was changed on line number 3 from shall to may. Additional verbiage for clarification was added. The correct wording has been changed; the changes have been made.

Director Lewis requested the removal of the last sentence on page 6 of 26 under Landscaping 6.1 which states, "Verification of the sprinkler system conformity to this paragraph shall be made in writing to Manor Alterations." The sentence shall state, "Once Landscaping completes the sprinkler system conformity, Landscaping shall notify Manor Alterations of such."

Robbi Doncost answered questions from the Board.

13d. Entertain a Motion to Introduce Additional Occupancy Fee (February Initial Notification—postpone 28-days for Member review and comment to comply with Civil Code §4360)

Director Jarrett read the following resolution:

#### **RESOLUTION 03-22-XX**

#### Additional Occupancy Fee

**WHEREAS,** Third Laguna Hills Mutual (Third) is authorized to manage, operate and maintain housing at Laguna Woods Village; and

WHEREAS, Third acknowledges its pro forma budget is based upon two occupants per household; and

**WHEREAS,** Third recognizes a select number of households are comprised of more than two occupants per household;

**NOW THEREFORE BE IT RESOLVED,** March 15, 2022 the Board of Directors establishes an occupancy fee to include live-in caregivers for each person above two of \$XX/month effective [MONTH, YEAR]; and

**RESOLVED FURTHER,** Third establishes a third person fee to include live-in caregivers of \$XX/month effective May 1, 2022; and

**RESOLVED FURTHER,** that the officers and agents of the Corporation are hereby authorized on behalf of the Corporation to carry out this resolution.

#### **FEBRUARY** Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.)

President Mutchnick commented that the verbiage shall be changed to, "NOW THEREFORE BE IT RESOLVED, March 15, 2022 the Board of Directors establishes an occupancy fee for each person above two." Additionally, the same would apply to, "RESOLVED FURTHER, Third establishes an occupancy fee for each person above two."

Discussion ensued among the board.

#### 14. Committee Reports

Director Lewis left the meeting at 12:30 p.m.

**14a**. Report of the Finance Committee / Financial Report – Director Rane-Szostak gave the Treasurer's Report along with a presentation on external factors affecting Third

Third Board Regular Meeting Minutes February 15, 2022 Page **13** of **16** 

Mutual Costs. The committee met on February 1, 2022; next meeting March 1, 2022, at 1:30 p.m. as a virtual meeting.
(1) Treasurer's Report – President Mutchnick commented on Investment Income and Insurance.
(2) Third Finance Committee Report

- (3) Resale/Leasing Reports
- 14b. Report of the Architectural Controls and Standards Committee Director Mutchnick gave an update from the last committee meeting. The committee met on January 24, 2022; next meeting February 28, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.
- 14c. Report of the Communications Committee Director McCary gave an update from the committee. The committee met on January 12, 2022; next meeting is scheduled for April 13, 2022 at 1:30 p.m. TBA whether this will be an in-person or virtual meeting.
- **14d**. Report of the Maintenance and Construction Committee Director Engdahl gave an update from the M&C Committee. The committee met on January 3, 2022; next meeting March 7, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
  - 1) Report of the Parking and Golf Cart Subcommittee Director Laws gave an update from the subcommittee. The subcommittee met on January 19, 2022; next meeting March 23, 2022 at 1:30 p.m. as a virtual meeting.
  - Report of the Garden Villa Rec. Room Subcommittee Director Jarrett gave an update from the subcommittee. The Garden Villas Rec. Room Subcommittee met on September 29, 2021; next meeting February 23, 2022, at 1:30 a.m. as an in-person and virtual meeting.
- **14e**. Report of the Landscape Committee Director Jarrett gave an update from the Landscape Committee. The committee met on February 3, 2022; next meeting March 3, 2022, at 9:30 a.m. as a virtual meeting.
- 14f. Report of the Water Conservation Committee Director Rane-Szostak gave an update on Water Conservation. The committee met with the El Toro Water District on December, 2021; next meeting February 24, 2022, at 2:00 p.m. as a virtual meeting.
- 14g. Report of the Resident Policy and Compliance Committee Director Mutchnick gave an update. The committee met on January 26, 2022; next meeting March 2, 2022, at 1:30 a.m. in the Board Room and as a virtual meeting.

#### 15. GRF Committee Highlights

Third Board Regular Meeting Minutes February 15, 2022 Page **14** of **16** 

- **15a.** Community Activities Committee Director McCary shared highlights from the last Community Activities Committee. The committee met on January 13, 2022; next meeting March 10, 2022, at 1:30 p.m. as a virtual meeting.
  - Equestrian Center Ad Hoc Committee Director McCary shared highlights from the last committee meeting. The committee met on January 26, 2022; next meeting March 30, 2022 at 1:00 p.m. as a virtual meeting.
- **15b.** GRF Finance Committee Director Rane-Szostak shared highlights from the last committee meeting. The committee met on January 28, 2022; next meeting February 16, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- 15c. GRF Landscape Committee No report was given.
- **15d**. GRF Maintenance & Construction Committee Director Engdahl shared highlights from the last committee meeting. The committee met February 9, 2022; next meeting April 13, 2022, at 9:30 a.m. as a virtual meeting.
  - Clubhouse Facilities Renovation Ad Hoc Committee Director Engdahl shared highlights from the last committee meeting. The committee met on January 28, 2022; next meeting TBA.
- **15e.** Media and Communications Committee Director McCary shared highlights from the last committee meeting. The committee met on January 17, 2022; next meeting February 22, 2022, at 9:30 a.m. as a virtual meeting.
- **15f.** Mobility and Vehicles Committee Director Cook. The committee met on February 2, 2022; next meeting April 6, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- 15g. Security and Community Access Committee Director McCary shared highlights from the last committee meeting. The committee met on October 25, 2021; next meeting February 28, 2022 at 1:30 p.m. in the Board Room and as a virtual meeting.
  - (1) Disaster Preparedness Task Force Director Rane-Szostak updated the board on the last task force meeting. The task force met on January 25, 2022; next meeting March 29, 2022, 9:30 a.m. in the Board Room and as a virtual meeting.
- **15h**. Report of the Laguna Woods Village Traffic Hearings Director Frankel reported on the last traffic hearings held on January 19, 2022; next meeting February 16, 2022 at 9 a.m. as a virtual meeting.
- **15i**. Report of the GRF Strategic Planning Ad Hoc Committee Director Mutchnick shared highlights from the last committee meeting. The committee met on January

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10, 2022; next meeting March 9, 2022 at 1:30 p.m. in the Board Room and as a virtual meeting.

- **15j.** Report of the Revenue Resources Ad Hoc Committee Director McCary shared highlights from the last committee meeting. The Committee met for on February 8, 2022; next meeting March 8, 2022 at 2:00 p.m. as a virtual meeting.
- **15k.** Report of the Information Technology Advisory Committee Director Laws shared highlights from the last committee meeting. The Committee met on February 4, 2022; next meeting February 18, 2022 as a virtual meeting.

**16. Future Agenda Items--** All matters listed under Future Agenda Items are items for a future board meeting. No action will be taken by the Board on these agenda items at this meeting. The Board will take actions on these items at a future Board meeting.

- a. Resident Suggestion Program
- b. Alterations Review
- c. Presentation by Dennis Cafferty, General Manager of El Toro Water District

#### 17. Director's Comments

- Director McCary thanked the Corporate Secretaries for their support.
- Director Jarrett commented on the loss of 38 trees and repaired leaks that were reported following a recent rainstorm.
- Director Rane-Szostak thanked the members/residents for their participation.
- CEO-Foster thanked the Corporate Secretaries.
- President Mutchnick thanked Grant Schultz for his dedication and support during time as a Corporate Secretary. He thanked the new Corporate Secretaries and welcomed them to the community. He thanked all members for their involvement and participation.

**18. Recess** - At this time, the meeting will recess for lunch and reconvene to Executive Session to discuss the following matters per California Civil Code §4935.

The meeting was recessed into closed session at 12:57 p.m.

#### **Closed Session Agenda**

Approval of Agenda Approval of the Minutes (a) January 18, 2022—Regular Closed Session Discuss and Consider Member Matters Discuss Personnel Matters Discuss and Consider Contractual Matters Discuss and Consider Litigation Matters Third Board Regular Meeting Minutes February 15, 2022 Page **16** of **16** 

### 19. Adjournment

The meeting was adjourned at 3:54 p.m.

Lynn Jarrett, Secretary of the Board Third Mutual Laguna Hills



#### **OPEN MEETING**

#### MINUTES OF THE SPECIAL OPEN MEETING OF THE BOARD OF DIRECTORS OF THIRD LAGUNA HILL MUTUAL, A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

#### Tuesday, February 22, 2022, at 12:00 p.m. Board Room / Virtual Meeting 24351 El Toro Road, Laguna Woods, California

The purpose of this meeting was to Discuss and Consider Investment Opportunities

Directors Present:	Robert Mutchnick, Lynn Jarrett, John Frankel, Ralph Engdahl, Nathaniel Ira Lewis, Craig Wayne, Jim Cook, Donna Rane-Szostak
Directors Absent:	Mark Laws (excused), Cush Bhada (excused), Annie McCary
Staff Present:	CEO Siobhan Foster, Michelle Estrada, Makayla Thomas, Steve Hormuth, Jose Campos, Carlos Rojas
Others Present:	None

 Call Meeting to Order / Establish Quorum – President Mutchnick President Mutchnick called the meeting to order at 12:04 p.m. and established that a quorum was present.

#### 2. Approval of the Agenda

Director Rane-Szostak made a motion to approve the agenda. Director Engdahl seconded the motion.

Hearing no changes or objections, the agenda was approved unanimously.

Discuss and Consider Short-Term Investment Opportunities
 President Mutchnick introduced Director of Financial Services, Steve Hormuth, to
 read the recommendation on the Discretionary Investment Transfer to Treasury
 Bills staff report.

Steve Hormuth provided the recommendation and financial analysis to the board:

Maturity	Amount	Interest Rate	Annual Interest Earned
Liquid	\$20,000,000	0.14%	\$28,000
12 month	5,000,000	0.15%	7,500
Total Investment	\$25,000,000	0.142%	\$35,500

#### **Current Discretionary Investment Portfolio**

#### **Recommended Discretionary Investment Portfolio**

Maturity	Amount	Interest Rate	Annual Interest Earned
12 month	\$15,000,000	1.00%	\$150,000
8 month	5,000,000	0.60%	30,000
4 month	5,000,000	0.40%	20,000
Total Investment	\$25,000,000	0.80%	\$200,000

Discussion ensued among the board.

Steve Hormuth answered questions from the board.

Director Engdahl made a motion to approve Option 1 – Current Discretionary Investment Portfolio. Director Wayne seconded the motion.

Director Cook and Director Lewis spoke against the motion.

Director Engdahl spoke for the motion.

Discussion ensued among the board.

Director Engdahl and Director Wayne withdrew the Motion.

Director Cook made a motion to approve the staff recommendation for the transferring of discretionary investments earnings to a portfolio of Treasury bills with laddered maturities. This includes the termination of the current \$5 million CD and investing it along with the \$20 million money market funds. The total amount of \$25 million will be invested in \$1 million increments at a 1% interest rate for 12 months. Director Lewis seconded the motion.

Hearing no objections, the motion was approved unanimously.

#### 4. Director's Comments

- Director Lewis commented that he is looking forward to the board's potential of earning more money.
- Director Engdahl commented on the error of his original motion.

- Director Rane-Szostak thanked Director of Finance, Steve Hormuth, for his thorough report on the investment recommendation.
- Director Wayne commented that he believes some board members are micromanaging a simple recommendation.

#### 5. Adjournment

The meeting was adjourned at 12:37 p.m.

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Lynn Jarrett, Secretary of the Board Third Mutual Laguna Hills

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Agenda Item # 5c Page 4 of 4



**OPEN SESSION** 

#### MINUTES OF THE AGENDA PREP MEETING OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

#### Friday, March 4, 2022 - 9:30 a.m. Willow Room/Virtual Meeting 24351 El Toro Road Laguna Woods, California

The purpose of this meeting was to discuss agenda items for the Third Board Regular Meeting Civil Code §4930

Directors present:	Robert Mutchnick, Annie McCary, John Frankel, Ralph Engdahl, , Donna Rane-Szostak, Jim Cook, Mark Laws, Nathaniel Lewis, Lynn Jarrett
Directors absent:	Cush Bhada, Craig Wayne (excused)
Staff present:	CEO-Siobhan Foster, Michelle Estrada, Makayla Schwietert, Carlos Rojas, Catherine Laster
Others present:	Sandra Gottlieb, Esq.

- Call Meeting to Order / Establish Quorum
   President Mutchnick called the meeting to order at 9:30 a.m. and established that
   a quorum was present.
- 2. Approval of the Agenda

By consensus, the agenda was approved.

3. Discuss and Consider Items to be placed on the Third Board Regular Meeting Agenda (open & closed session) on March 15, 2022 Sandra Gottlieb, Esq. entered the meeting at 10:15 a.m.

The Board called Legal Counsel – Sandra Gottlieb, Esq. to discuss a potential legal issue.

Sandra Gottlieb, Esq. exited the meeting at 10:21 a.m.

The Board approved the open and closed agendas by consensus.

Third Laguna Hills Mutual Agenda Prep Open Meeting March 4, 2022 Page 2 of 2

#### 4. Director Comments – None

- Director Laws asked President Mutchnick how the recent Town Hall meeting went.
- President Mutchnick commented on the recent Town Hall meeting, discussions that took place, and stated that the meeting itself went well.

#### 5. Adjournment

The meeting was adjourned at 10:56 a.m.

Lynn Jarrett, Secretary of the Board Third Mutual Laguna Hills



#### RESOLUTION 03-22-XX

#### Deny the Request For Removal of One Indian Laurel Fig Tree 3320-B Via Carrizo

**WHEREAS**, February 16, 2021, that the Board of Directors adopted Resolution 03-21-10 Tree Maintenance Policy which states:

"...Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents' personal preferences concerning shape, color, size, or fragrance. Trees shall not be removed to preserve, enhance or create a view.

- Trees which are damaging or will damage a structure, pose a hazard, diseased, in failing health or interfering with neighboring trees, will be considered for removal.
- Removal requests will be reviewed by a staff arborist and, if necessary, referred to the Committee..."

**WHEREAS,** on March 3, 2022, the Landscape Committee reviewed a request from the Member at 3320-B to remove one Indian Laurel Fig tree. The Member cited the reasons as overgrown, litter/debris, and a slip and fall potential;

**WHEREAS**, the Committee determined that the tree is healthy and does not meet the guidelines set forth in Resolution 03-21-10 and recommends denying the request for the removal of one Indian Laurel Fig tree located at 3320-B Via Carrizo;

**WHEREAS,** the committee also recommends that a crown reduction is performed on the tree and a thinning of the canopy.

**NOW THEREFORE BE IT RESOLVED,** March 15, 2022, the Board of Directors denies the request for the removal of one Indian Laurel Fig tree located at 3320-B and to instead direct staff to perform a crown reduction and a thinning of the canopy for this tree and two others in the vicinity;

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution.

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Agenda Item # 12b(1) Page 2 of 2



#### **RESOLUTION 03-22-XX**

#### Recording of a Lien

**WHEREAS**, Member ID 931-470-53; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, March 15, 2022, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-470-53 and;

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

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Agenda Item # 12c(1) Page 2 of 2



#### **RESOLUTION 03-22-XX**

#### Recording of a Lien

**WHEREAS**, Member ID 931-460-20; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, March 15, 2022, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-460-20 and;

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

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Agenda Item # 12c(2) Page 2 of 2



#### STAFF REPORT

#### DATE: March 15, 2022 FOR: Third Laguna Hills Mutual Board SUBJECT: Revised Alteration Fee Schedule

#### RECOMMENDATION

The Third Architectural Control & Standards Committee recommends the approval of the revision of fees as proposed within Resolution 03-22-XX for the new Revised Alteration Fee Schedule dated November 23, 2021.

#### BACKGROUND

A prior Staff Report with Fee Schedule was approved by the ACSC on October 25, 2021.

The Third Mutual (Board), via the November 16, 2021 Board Meeting, had requested that the Agenda Item 13 (a) Alteration Fee Schedule Revision, be revised. Currently, variances containing multiple variance requests are allowed to be processed within a single variance request for the same fee. Also, variances with simple or less complex reviews are typically less labor intensive to review; but, the cost is the same fee. The request from the Board was to modify the fee associated with a variance <sup>(1)</sup> to allow: (1) the variance fee amount of \$662 to be bifurcated into two fee categories: A) Basic Variance Request; and B) Complex Variance Request.

Attachment 2 – Revised Fee Schedule, is therefore provided to the ACSC for consideration.

#### DISCUSSION

Prior to the commencement of most manor alterations, mutual members, or their authorized representative(s), are required to obtain a Mutual Consent (MC) from Manor Alterations (MA). This permit fee is charged to partially offset administrative costs associated with the processing, review, and final inspection of staff work associated with the MC. Depending on the type of alteration to be performed, the fees are currently calculated using either a flat fee or the value of the proposed alteration. The current Alteration Fee Schedule is provided on Attachment 2 - Current and Revised Alteration Fee Schedule with markups. Staff reviews the application and ensures that the proposed alteration conforms to mutual Standards or the variance process.

<sup>(1)</sup> The Third Mutual ARCHITECTURAL REVIEW PROCEDURES Summary of Civil Code § 4765 provide for a description of the Variance process. Article, Guidelines for Submittals for Variance Request, Item 1 states in part, "Variance requests are submitted to obtain approval for a variance to construct a nonstandard alteration, that which is different from the mutual's alteration standards and/or standard plans. Variance requests are submitted to the Alterations Division for consideration by the mutual's ACSC and the board."

Since alterations are optional and chosen by the Member, it is reasonable that the cost for processing the applications, and inspecting the work be borne by those electing to alter their manor. Over the past year, several new processes and services, along with improvements to customer service, have been implemented in the Manor Alterations Division.

Contractor parking passes, demolition mutual consents, asbestos management, and conformance deposits have all brought significant improvements to the services offered, and have increased procedures within the mutual. Given the processes and administrative requirements currently involved, it is suggested that the ACSC and Board now consider updating the current Alteration Fee Schedule to reflect the increased administrative and processing cost attributable to MC work.

The current Fee Schedule was adopted in 2017. The actual cost expended by Manor Alterations at its now current rate exceed the permit fees of the 2017 Alteration Fee Schedule. The Revised Alteration Fee Schedule allows for a more appropriate fee structure to the actual cost of staff labor expended on MC Alterations.

Attachment 1 – Financial Analysis, addresses the cost to process Mutual Consents, Variances, and other submissions. Variance requests are now separated into two categories of Minimal and Standard.

The Attachment 2 – Current and Revised Alteration Fee Schedule reflects the fee increases to the following: 1. The Alteration Fee Schedule of \$50 is revised to \$70; and 2. The new Basic Variance fee will be \$380; and 3. The new Complex Variance Fee will be \$662; and 4. The Unauthorized Alteration Fee of \$300 will be increased to \$350; and 5. The Permit Fee Valuation shall be increased by 40% for each value of escalation.

#### **Basic Variance Request**

This Basic Variance Request is defined as a non-standard alteration in which only one component of the work requested is to be a variance to the Standard mutual consent process. All now current Standards are represented on Attachment 4 – List of Standard Alterations. This Basic Variance Request and its accompanying Staff Report will be more condensed in nature; thus, requiring less staff time to assemble and a reduced fee is realized with this type of request - See Attachment 1 – Financial Analysis for the fee allocation. Items that would qualify for (but not limited to) a Basic Variance request fee would be as follows:

- Interior Doorway Expansion (not visible to the Common Area)
- Interior Modification to a Floor Plan (Single Room combination or revision)
- Minor Common Area Modification (Gate, Exclusive Common Area Veneer)

#### **Complex Variance Request**

The Complex Variance request is defined as a non-standard alteration in which more than one component of the work requested is to be a variance to the standard mutual consent process. The report will be more detailed in nature requiring additional effort to explain the contents and intent of the multiple requests - See Attachment 1 – Financial Analysis for the fee of a Complex Variance. Items that would qualify for (but not limited to) a Complex Variance request fee would be as follows:

- Doorway Expansion (visible to the Common Area)
- Any Improvement visible to or within Common Area
- Any Improvement made to the building exterior
- Common Area Improvements (Canopies, Solar Panels, Enclosures, Room Additions)

Note: All applicable staff reporting and variance procedures are to be followed regardless of which type of variance request is utilized.

Attachment 4 – List of Alterations Not Requiring a Mutual Consent is a list of non-mutual consent items

allowed without the need for a MC permit or a variance permit.

Attachment 3 - List of Standard Alterations is a summary of all current approved Standard Alterations within

Third Mutual. This list serves as a reference to understand what qualifies as a Standard, and how a Variance by its own nature does not follow these Standards, thus requiring approval by the ACSC and Board.

Resolution 03-22-XX enacted by the board would serve to update the existing fee schedule.

#### FINANCIAL ANALYSIS

The Attachment 1 - Financial Analysis indicates the changes to certain current fees and charges of the Alteration Fee Schedule with an estimated total increase of \$82,908 in additional revenue.

This total is due to increases in the following categories:

- 1. Alteration Fee Schedule fee will be increased to \$70;
- 2. The new Basic Variance fee will be increased to \$380;
- 3. The new Complex Variance Fee will be increased to \$662;
- 4. The Unauthorized Alteration Fee be increased to \$350;
- 5. The Permit Fee Valuation shall be increased by 40% for each value of escalation.
- 6. Resale Inspection Fees increased by \$100.

Prepared By:	Robbi Doncost, Manor Alterations Manager
Reviewed By:	Bart Mejia, Maintenance and Construction Deputy Director Gavin Fogg, Manor Alterations Supervisor Lauryn Varnum, Manor Alterations Coordinator

#### ATTACHMENT(S)

Attachment 1 – Financial Analysis Inclusive of Basic and Complex Variance

- Attachment 2 Current and Revised Alteration Fee Schedule
- Attachment 3 List of Standard Alterations
- Attachment 4 List of Alterations Not Requiring a Mutual Consent

Attachment 5 - Resolution 03-22-XX

#### Attachment 1 – Financial Analysis Inclusive of Basic and Complex Variance

Fees Increase from \$50 to \$70 for a	28.	6% adju	istment *				
Average MC's / year			380				
Average \$ of MC			\$ 300				
AV Re	ver	nue of N	/IC's / year	\$	114,000		
*Ajusted to 28.6% increase \$ 146,604							
Added Revenue for Alteration Processing Fee Increase							
VARIANCE FEE INCREASE							
COMPLEX VARIANCE PROCESSING FEE ALLOCA	<b>ATI</b>	ON					
Per 2021	Bill	Rates	Schedule				
	\$	38.94	Hrs.		Total		
Rev of Variance Initial Req. & Policy Review	\$	38.94	0.5	\$	19.47		
Initial Stellar & Policy Review	\$	38.94	1	\$	38.94		
Site Visit & Doc Assembly	\$	38.94	4	\$	155.76		
Report Assembly	\$	38.94	7	\$	272.58		
Added Plan Coordination/MC	\$	38.94	2	\$	77.88		
Supervisor Review & Comments	\$	38.94	1.5	\$	58.41		
Manager Review & Edits		38.94	1	\$	38.94		
			17	\$	662.0		
			Hrs	Per	Standard		
				Vari	ance Actua	al	
	Cost						
BASIC VARIANCE PROCESSING FEE ALLOCATIO	DN						
Per 2021	Bil	Rates	Schedule				
	\$	38.94	Hrs.		Total		
Rev of Variance Initial Req. & Discssions of Po		38.94	0	\$	-		
Initial Stellar & Policy Review	\$	38.94	1	\$	38.94		
Site Visit & Doc Assembly	\$	38.94	1.5	\$	58.41		
Report Assembly	\$	38.94	4.5	\$	175.23		
Added Plan Coordination/MC	\$	38.94	1	\$	38.94		
Supervisor Review & Comments	\$	38.94	1	\$	38.94		
Manager Review & Edits	\$	38.94	0.75	\$	29.21		
			9.75	\$	379.7		
			Hrs	Per	Minimal		
				Vari	ance Actua	al	
BLEND RATE OF VARIANCE							
Calculate AV # of Variances / Yr.							
24 Variances per year at	BL	END RA	TE of \$521				

#### Attachment 1 (continued) - Financial Analysis Inclusive of Basic and Complex Variance

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	Hrs.			
38.94 1		Total		
	1.5 \$	58.41		
38.94 2	2.5 \$	97.35		
38.94 1	1.5 \$	558.41		
38.94 1	1.5 \$	58.41		
38.94 1	1.5 \$	558.41		
	8.50 \$	330.99		
H	Hrs p	er report		
		•		
270 V @220	0.99 = 5	\$ 125,114.22		
	38.94 38.94 38.94	38.94     1.5     \$       38.94     1.5     \$       38.94     1.5     \$       38.94     1.5     \$       38.94     1.5     \$       Hrs     p       A     A	38.94       1.5       \$       58.41         38.94       1.5       \$       58.41         38.94       1.5       \$       58.41         38.94       1.5       \$       58.41         38.94       1.5       \$       58.41         38.94       1.5       \$       58.41         38.94       1.5       \$       38.41         38.94       1.5       \$       38.41         38.94       1.5       \$       38.41         38.94       1.5       \$       38.41         38.94       1.5       \$       \$         8.50       \$       330.99	38.94       1.5       \$ 58.41         38.94       1.5       \$ 58.41         38.94       1.5       \$ 58.41         38.94       1.5       \$ 58.41         38.94       1.5       \$ 330.99         Hrs       per report         Actual Cost       \$ 1000000000000000000000000000000000000

#### Attachment 2 – Current and Revised Alteration Fee Schedule



Laguna Woods Village®

#### Current Alteration Fee Schedule - Items in RED reflect proposed updates Alteration Fee Schedule

For items not listed, please contact Manor Alterations at (949) 597-4616 or alterations@vmsinc.org

Visit www.lagunawoodsvillage.com for Mutual Standards and Standard Plans All items require HOA Mutual Consent from Manor Alterations and a City Permit as indicated below.

#### \*Unauthorized Alteration Fee - \$350

Unauthorized Alteration Fee \$300

#### \*Alteration Processing Fee - \$70

\$50 Alteration Processing Fee	
Alteration Type	City Permit Required
Acoustic Ceiling Removal	Yes
Awnings (Standard, Less than 54")	Yes
Awnings (Powered)	Yes
HVAC (No Increase in Amperage)	No
Tub Replacement	Yes
Block Walls (Less than 48" H)	No
Block Walls (More than 48" H)	Yes
Planter Wall	No
Dishwasher (New Installation)	Yes
Door Revision (Exterior)	No
Electrical	Yes
Exhaust Fan	Yes
Fences (Less than 84") and Gates	No
Floor Coverings (Exterior)	No
Flooring (Vinyl)	No
Gutters and Downspouts	No
Metal Drop Shades	No
Modesty Panels (Balcony)	No
Patio Slab Revision	No
Patio Wall Revision	No
Plumbing	Yes
Soft Water System (Independent)	No
Soft Water System (Connected to Water Heater)	No
Storage Cabinets (Carport)	No
Shades (Roll-up)	No

\*Some Alterations may require a Demolition Permit, which carries a \$50 fee. To confirm if your Alteration will require a Demolition Permit, please contact the Manor Alterations Department.

\*Alteration Fees are paid via credit card upon approval of a completed permit. Manor Alterations will contact applicants directly upon approval to collect payment.

#### \*Bifurcated Variance Fees-

#### Standard - \$662 , Minimal - \$380

Variance Processing Fee	\$150				
Permit Alteration Fees Based on Valuation					
Alteration Type	City Permit Required				
Air Conditioner (Through the Wall)	Yes				
Bathroom Addition (Split)	Yes				
Central HVAC (New Installation)	Yes				
Atrium, Balcony, Patio Covers (Replacement or New Installation	Yes				
Doors (New Construction)	Yes				
Atrium, Balcony, Patio Enclosures	Yes				
French Doors (New Installation)	Yes				
Garden Room, Solarium	Yes				
Heat Pumps (New Installation through Wall)	Yes				
Man Doors (New Installation)	Yes				
Plumbing (New Installation or Relocation)	Yes				
Room Addition	Yes				
Shower to Shower Replacement	Yes				
Skylights	Yes				
Sliding Glass Doors (New Installation)	Yes				
Sliding Glass Doors (Retrofit)	Yes				
Solar Tubes	Yes				
Tub to Shower Installation	Yes				
Tub to Tub Replacement	Yes				
Wall Revisions	Yes				
Washer and Dryer (New Installation)	Yes				
Water Heater (Relocation)	Yes				
Windows (New Construction)	Yes				
Windows (Retrofit)	Yes				

#### 40% Increase

Permit Fee Legend	*Permit	
Valuation	Fee	Fee
Less than \$750	\$50	\$70
\$751 to \$2,000	\$77	\$108
\$2,001 to \$4,000	\$168	\$235
\$4,001 to \$6,000	\$280	\$392
\$6,001 to \$8,000	\$392	\$549
\$8,001 to \$10,000	\$504	\$706
Above \$10,000	\$700	\$980

#### Attachment 2 (continued) - Current and Revised Alteration Fee Schedule

**REVISED ALTERATION FEE SCHEDULE - 1.25.22** 

### Laguna Woods Village<sup>®</sup>

#### **Third Mutual Alteration Fee Schedule**

Visit www.lagunawoodsvillage.com for Mutual Standards and Standard Plans All items require HOA Mutual Consent from Manor Alterations and a City Permit as indicated below.

For items not listed, please contact Manor Alterations at (949) 597-4616 or alterations@vmsinc.org

Visit www.lagunawoodsvillage.com for Mutual Standards and Standard Plans

Standard Alterations City Permit Requirement					
Alteration Type	City Permit Required				
Acoustic Ceiling Removal	Yes				
Awnings (Standard, Less than 54")	Yes				
Awnings (Powered)	Yes				
HVAC (No Increase in Amperage)	No				
Tub Replacement	Yes				
Block Walls (Less than 48" H)	No				
Block Walls (More than 48" H)	Yes				
Planter Wall	No				
Dishwasher (New Installation)	Yes				
Door Revision (Exterior)	No				
Electrical	Yes				
Exhaust Fan	Yes				
Fences (Less than 84") and Gates	No				
Floor Coverings (Exterior)	No				
Flooring (Vinyl)	No				
Gutters and Downspouts	No				
Metal Drop Shades	No				
Modesty Panels (Balcony)	No				
Patio Slab Revision	No				
Patio Wall Revision	No				
Plumbing	Yes				
Soft Water System (Independent)	No				
Soft Water System (Connected to Water Heater)	No				
Storage Cabinets (Carport)	No				
Shades (Roll-up)	No				

Permit Alteration Fees Based on Valuation					
Alteration Type	City Permit Required				
Air Conditioner (Through the Wall)	Yes				
Bathroom Addition (Split)	Yes				
Central HVAC (New Installation)	Yes				
Atrium, Balcony, Patio Covers (Replacement or New Installation	Yes				
Doors (New Construction)	Yes				
Atrium, Balcony, Patio Enclosures	Yes				
French Doors (New Installation)	Yes				
Garden Room, Solarium	Yes				
Heat Pumps (New Installation through Wall)	Yes				
Man Doors (New Installation)	Yes				
Plumbing (New Installation or Relocation)	Yes				
Room Addition	Yes				
Shower to Shower Replacement	Yes				
Skylights	Yes				
Sliding Glass Doors (New Installation)	Yes				
Sliding Glass Doors (Retrofit)	Yes				
Solar Tubes	Yes				
Tub to Shower Installation	Yes				
Tub to Tub Replacement	Yes				
Wall Revisions	Yes				
Washer and Dryer (New Installation)	Yes				
Water Heater (Relocation)	Yes				
Windows (New Construction)	Yes				
Windows (Retrofit)	Yes				

Permit Fee Legend - \$70 Minimum Processing Fee					
Valuation	Fee				
Less than \$750	\$70				
\$751 to \$2,000	\$108				
\$2,001 to \$4,000	\$235				
\$4,001 to \$6,000	\$392				
\$6,001 to \$8,000	\$549				
\$8,001 to \$10,000	\$706				
Above \$10,000	\$980				

Variance Fee Legend (Additional to Permit Processing Fee)					
Variance Type	Fee				
Basic Variance Processing Fee	\$380				
Complex Variance Processing Fee	\$662				

Unauthorized Alteration Fee \$350 \*Fee applies to members who attempt alterations without prior approval of Manor Alterations

\*Some Alterations may require a Demolition Permit, which carries a \$70 fee. To confirm if your Alteration will require a Demolition Permit, please contact the Manor Alterations Department.

\*Alteration Fees are paid via credit card upon approval of a completed permit. Manor Alterations will contact applicants directly upon approval to collect payment.

\*In the event a member requires an "after the fact" ("ATF") Mutual Consent for work completed without prior appropriate authorization, the following will apply as appropriate to the nature of the improvement work: Unauthorized Alteration Fee + Variance Fee and/or Mutual Consent Fee and/or Demolition Fee

\*Variance Processing Fees are in addition to any fees incurred via permit processing

#### Attachment 3 – List of Standard Alterations

Attachmei	nt 3 - Li	ist of Sta	ndard Altera	tions
				Tuesday, January 12, 2021
These Standards are approved as wo	rk that c	an be perm	itted by Manor A	Alterations staff, and issued as a mutual consent.
All other permit requests for Work w	vould rea	quire appro	val by variance f	rom the ACSC and Board. All standard alterations
carry a p	rocessing	g fee as out	lined on the Alte	eration Fee Schedule.
STANDARD TITLE	#	DATE	<b>RESOLUTION #</b>	DESCRIPTION
General Requirements	1	Jan-18	3.18.12	General requirements for all alterations
Air Conditioning units/Heat Pumps	4	Jul-19	3.19.71	Thru-wall AC-HP units, central and ductless
Satellite Dishes – 1 Story	5A	Jun-18	3.18.86	Prep guidelines and installation guidelines
Satellite Dishes – 2 Story	5B	Jun-18	3.18.87	Prep guidelines and installation guidelines
Satellite Dishes – 3 Story	5C	Nov-13	3.13.121	Prep guidelines and installation guidelines
				Guidelines for reconstructed walls, planter walls,
Block Walls	6	Jan-18	3.18.14	sprinkler revisions
Porch Lift Elevator	8	Jan-18	3.18.12	Guidelines and bound agreement for standards
Exhaust Fan Installations	9	Jan-18	3.18.12	Guidelines for unit sizes and types
Doors, Exterior	10	Mar-18	3.18.40	Guidelines for types, applications, styles
Exterior Floor Coverings	11	Mar-18	3.18.41	Guidelines for application, maintenance
				Application, FIIC & CC&R standards, owner
Interior Hard-Surface Flooring	11A	Dec-10	3.10.188	responsibilities, complaint rules
				Application, tile & veneer, trellis & wrought iron
Exterior Wall Attachments	12	Jun-18	3.18.88	designs, mural & wall hangings
Fences, Wrought Iron	13	Mar-18	3.18.42	Application and sprinkler revisions
Fireplace Installations	14	Jun-18	3.18.89	Application, spark arrestors
Garage Doors, Sectional or One				
Piece	16	Jun-18	3.18.90	Application and aesthetics
Gates	17	Mar-18	3.18.43	Application: patio walls, patio railings in 3 story
Gutter & Downspouts	18	Jun-18	3.18.91	Application and penetration, aesthetics
Balcony Modesty Paneling	19	May-18	3.18.56	Application and aesthetics, paneling height
Patio Slabs	21	Mar-18	3.18.44	Preparation, application, and sprinkler revisions
Patio, Balcony & Eyebrow Covers,				Definition of patio/balcony, applications, patio
Aluminum	22	Nov-19	3.19.114	over balcony
Skylight Installations	26	Jun-18	3.18.92	Application, aesthetics, trusses requirements
				Definition, application, notification process,
				installation process, asbestos, roofing material
Tubular Skylight Installations	27	Jun-18	3.18.93	distinctions
Soft Water Units	28	Nov-19	3.19.132	Installation, isolation valves
				Specifications, surface preparation, frame/track,
Solariums	29	May-11	3.11.49	glass type,

#### Attachment 3 (continued) – List of Standard Alterations

Storage Cabinets (Patio, Breezeway,				
Balcony)	30A	Feb-19	3.19.19	Prepatation, application, sizing requirements
				Cabinet design approval, wall penetrations, 3
Washer & Dryer Installations	31	Dec-18	3.18.156	story building prohibition
				Application, plumbing, electrical, strapping,
Water Heater Relocation	32	Mar-19	3.19.34	elevation to match
				Application, installation, glass type, attachment
				methodology, stained glass, wrought iron grilles
Windows & Window Attachments	34	Jan-19	3.19.09	garden windows, sliding glass doors
Patio Covers, Awnings	37	Feb-19	3.19.18	Application, fixed v retractable, maintenance
				Applications, specifications, surface preparation
Patio Enclosures	38	Aug-19	3.19.82	frame/track, glass type
				Applications, specifications, surface preparation
Balcony Enclosures	39	Apr-11	3.11.49	frame/track, glass type
Exterior Roll-up Shades (Sun				
Screens)	40	Jun-19	3.19.XX	Applications, aesthetics, maintenance
Solar Panels - 1 Story Buildings	41	Aug-19	3.19.95	Applications, obligations, CAUA
				Definitions, specifications, exterior landings,
				maneuvering clearances, handrails, curbs/whee
Ramps	42	Nov-19	3.19.133	guides, hazards
Hot Tubs	43	Aug-13	3.13.84	Definitions, obligations, applications, sizing
				Electrical power source, location, conduit
Electric Vehicle Charging Stations	44	May-15	3.15.45	routing, insurance
				Preparation, application, sprinkler revisions,
Fencing, Vinyl	45	Jan-19	3.19.10	sizing
				Building type, footprint & location, rooflines,
Master Bedroom Ext. (Casa Grande,				windows, architectural accents, exterior finishe
Villa Paraisa)	46	Jan-16	3.16.16	plans, landscaping
,				Applications, installation requirements,
Bathroom Splits	47	Jan-18	3.18.22	obligations
*Date listed is the most recent Resolu	ution.			
*All standard alterations carry a proce	essing fe	e as outlined	on the Alter	ation Fee Schedule.

#### Attachment 4 – List of Alterations Not Requiring a Mutual Consent



#### Third Mutual – Alterations without MC

- Floor replacement (so long as ACM is not disturbed) e.g. carpet like for like.
- · Painting Interior walls
- Installing bookshelves
- Installing Mailbox
- Hanging picture frames/decorations interior
- Sink/ toilet replacements
- Doorbell replacement/installs
- Appliances change outs (e.g. Refrigerator, microwave, stove/oven, dishwasher)
- Change out faucets.
- Garbage disposals
- Cabinet/Vanity/Counter top replacements that do not disturb ACM or require City Compliance upgrades on electrical.
- Peepholes
- Interior Doors

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Agenda Item # 13a Page 12 of 14 Attachment 5 – Resolution 03-22-XX



#### **Alteration/Variance Processing Fee Policy**

**WHEREAS,** alteration and variance requests require significant staff time for proper processing, including research, report preparation, and then presentation to the appropriate committee and then the Board; and

**WHEREAS,** in order to offset a portion of the administrative costs associated with processing variance requests, which is often followed by multiple resubmittals, and can be followed by an appeal to the Board as mandated in accordance with Resolution 03-13-105; and

**WHEREAS, t**he following revisions are approved: 1. The Alteration Fee Schedule is revised to \$70; and 2. The new Basic Variance fee will be \$380; and 3. The new Complex Variance Fee will be \$662; and 4. The Unauthorized Alteration Fee will be increased to \$350; and 5. The Permit Fee Valuation shall be increased by 40%; and 6. The Resale fees will increase to the total amount of \$215 for the first and second inspection fees.

**WHEREAS,** the new Alteration Fee Schedule better aligns the fees with the administrative time it takes to process each task; and

**NOW THEREFORE BE IT RESOLVED,** March 15, 2022 to partially offset administrative costs associated with processing alteration and variance requests, the Board of Directors of this Corporation hereby revise the alteration and inspection fees as attached to the official minutes of this meeting the new Alteration Fee Schedule will be adopted; and

**RESOLVED FURTHER,** in the event that a member requires an "After the Fact" (ATF) Mutual Consent for work completed without prior appropriate authorization the following would apply as appropriate to the nature of the improvement work, defined as a member being responsible for: a Variance Fee if the work required variance approval; an ATF Mutual Consent Fee due to the work not having been applied for and permitted by Manor Alterations in advance of completion; a Mutual Consent Fee totaling the cost of an appropriate Mutual Consent Fee if the work had been properly approved; a Demolition Fee totaling the cost of the appropriate Demolition Fee if the work had been properly approved; and

**RESOLVED FURTHER,** that Resolution 03-17-120 adopted October 20, 2017 is hereby superseded and canceled; and

**RESOLVED FURTHER,** that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the resolution.

FEBRUARY Initial Notification—28-day notification for Member review and comments to comply with Civil Code §4360 has been satisfied

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Agenda Item # 13a Page 14 of 14



#### STAFF REPORT

DATE:March 15, 2022FOR:Third Laguna Hills Mutual BoardSUBJECT:Contractor Violation Policy

#### RECOMMENDATION

The Third Laguna Woods Mutual Architectural Control and Standards Committee (ACSC) recommends the Third Mutual Board adopt the proposed Contractor Violation Policy (Attachment 1) Exhibit A - Contractor Rules & Obligations (Attachment 2), to provide additional protections to members and mutual property as a result of the members hiring contractors that continue to violate mutual construction rules and regulations.

#### BACKGROUND

Manor Alterations (MA) is seeing more frequent violations by member-hired contractors. Many violations are minimal yet some are severe, causing additional time management required by MA and extensive additional member costs. These costs may include, but are not limited to, asbestos cleanups, removing mutual structural components (damage to the mutual), and starting work without MA or city permits.

 Many contractors are repeat offenders. Currently, MA has no policy in place to manage contractor violations in this effort. As contractors are in direct contract with members and not the mutual, the mutual is limited in its deployment of contractor violations. Third's attorney advises limiting the course of action against contractors to suspension or total exclusion from work in Third if the contractor has a proven track record justifying such action. MA has increased its presence in an ongoing effort to educate members, contractors and realtors with the addition of a biweekly news bulletin, additional staff to answer inquiries and guide applicants through the permit process, articles in the Village Breeze, additional new tools such as a process map and a frequently asked questions guide. In the past year, much more information has been provided; however, violations continue to occur.

#### DISCUSSION

MA is seeking to enact the Contractor Violation Policy as a method of leverage for enforcement of Third's current Rules and Obligations. This policy would benefit Third Mutual members, as it would provide clarity on potential contractor conduct and expectations. It would also provide clarity on current mutual rules and regulations, including work hours and observed holidays (Attachment 5). This policy would be incorporated within the revised verbiage of the Mutual Consent for Alterations (Attachment 3) and Mutual Consent for Demolition (Attachment 4) as a method of acknowledgment for both contractors and applicants.

#### FINANCIAL ANALYSIS

It is anticipated that the implementation of the proposed Policy, if approved, can be absorbed our current staff and budget.

- Prepared By: Robbi Doncost MA Manager
- Reviewed By: Gavin Fogg MA Supervisor
- **Reviewed By:** Baltazar Mejia P.E.– Maintenance & Construction Assistant Director Energy, Engineering, & Facilities

#### ATTACHMENT(S)

- Attachment 1 Contractor Violation Policy 03-22-XX
- Attachment 2 Exhibit A Construction Rules & Obligations
- Attachment 3 Mutual Consent for Alterations Application Revised Verbiage
- Attachment 4 Mutual Consent for Demolition Application Revised Verbiage
- Attachment 5 VMS Inc. Observed Holidays List
- Attachment 6 Resolution 03-22-XX

#### Attachment 1 – Contractor Violation Policy 03-22-XX

#### CONTRACTOR VIOLATION POLICY

It is crucial that contactors hired by members strictly follow Mutual rules and restrictions related to construction, improvement and repair projects. Given the proximity between units and age of the buildings, among other related factors, any deviation from mutual rules or the member's approved scope of work has the potential to have a significant impact on the property as well as the adjacent neighbors. Staff has discovered an increase in violations by member contractors who are either unfamiliar with or fail to abide by mutual rules and restrictions or who perform work outside of what was approved. Oftentimes this can lead to delays; increased project costs for members; increased noise, inconvenience and disturbance to neighbors; and unnecessary staff time and resources diverted to regulating and overseeing contractor violations and corrections.

This Contractor Violation Policy (policy) provides for penalties in the form of prohibiting offending contractors from performing work in Third in an effort to protect members and Third property and to encourage contractors to adhere to the rules and obligations governing the members and mutual.

Manor Alterations (MA) is the representative acting on behalf of the managing agent (VMS) for the mutual (Third). This policy classifies the noticing, violation severity, enforcement, ramifications of disciplinary actions and remedies relating to the offenses. MA would use the policy criteria listed herein to evaluate the contractors' performance and administer notices and violations to member contractors.

The circumstances for providing a potential violation notice or notice of violation and issuing violation suspensions are based on the severity of the offense listed in two categories as defined below:

#### Moderate Violation

1. Any violation of Exhibit A – Conditions Rules & Obligations unless noted as a Severe Violation.

#### Severe Violations

- 1. Any violation by a contractor performing demolition or initiating renovation work without all appropriate governmental and MA approvals inclusive of mutual consents issued by MA and City of Laguna Woods approvals, and
- 2. Any contractor performing work contrary to the work specifically noted on the mutual consent (MC) issued by MA for the following:
  - a. Performing any structural removal or modification, including, but not limited to, the widening of an opening of a doorway, passageway or window or removal or modification of a structural building element (inclusive of columns, bearing walls, shear walls, foundations, exterior walls, any work that would have required a variance approval from the board or lapse of any insurance coverage so disclosed by the contactor on the mutual standard certificate of liability insurance (COLI).

#### Attachment 1 continued – Contractor Violation Policy 03-22-XX

- b. Performing any work that is beyond the scope of work as defined by the mutual consent (MC). This expanded work will include, but not be limited to, installing a larger quantity of materials, amending the parameters initially identified, revised layout, increased dimensions of an approved renovation or using differing materials as was indicated on the MC.
- 3. Any expansion of the MC description for demolition or improvement work previously issued without further authorization from MA. Any unauthorized asbestos release contrary to city code, SCAQMD or Cal/OSHA regulations, or
- 4. The failure to complete the approved MC scope of work within the MC specified time to complete, or such reasonable time for the work so described on the MC as agreed to with MA when the MC was initially issued, exempting therefrom, any reasonable MA extension of time affecting the timely completion of the work. See Exhibit A Construction Rules & Obligations Contractor, Item 17, for complete terms relating to time of completion. A force majeure event shall be defined as an event beyond the control of the contractor affecting the timely completion of the work. Allowable force majeure events shall be considered as an event(s) affecting the entire local contracting community that would include major material shortages, war, strike, riot, catastrophic weather event, labor disputes or governmental orders relating to a pandemic. The contractor's time shall only be extended for the duration of the force majeure event. Contractor shall notify MA within 3 business days of knowledge of such delay or the potential of a force majeure event to allow consideration of an appropriate extension of time.
- MA is responsible for providing the following enforcement actions of this policy:
  - 1. Substantiate violations with notices, notes and photographs; document and archive the violation events; and transmit violation material to contractor and member,
  - 2. Maintain a log of violations recording at a minimum the contractor's name and address; detail of the violation circumstances; notes regarding the rules, regulations and obligations of violation; and other pertinent information of the event,
  - 3. MA shall notify the manor member and contractor of all violations and potential consequences,
  - 4. Issuance of all violation notice documents are to be posted on the manor with a description of the violation(s). Contractor violations shall also be published in the biweekly news bulletin only after validation of the violation.
  - 5. Maintain a master list of contractors who are ultimately determined to have engaged in violation of and/or have been suspended under this policy.

#### **Contractor Violations**

Also see the contractor violation description below:

 Moderate first violations – Any violation of the Exhibit A – Construction Rules & Obligations unless noted as a severe violation. Contractor and member will be notified of the first violation. All subsequent violations in this category will then escalate to a severe violation as described below.

#### Attachment 1 continued – Contractor Violation Policy 03-21-XX

- 2. Severe violations If the first violation is a severe first violation (or a second moderate violation) then MA shall issue a potential violation notice. MA shall allow the contractor the opportunity to explain the circumstances of the violation. Under special circumstances the contractor may be allowed to continue work. MA shall then determine if the potential violation notice shall become a violation notice and invoke those actions described in the contractor violation description.
- 3. In the event a Third Violation is to be issued, the Contractor shall be subject to a review by the ACSC. While waiting on the ACSC hearing the Contractor will no longer be allowed to do work within Third and a review by the ACSC will be scheduled. After the second suspension, board approval is necessary for contractor reinstatement. Thereafter, any violation would result in permanent suspension from Third.
  - a. The member is responsible for any supplemental cost to mitigate the actions of his/her contractor that might be attributable to the consequences of damage, including, but not limited to, remediation of emergency asbestos cleanup and mitigation, damage to mutual property and fines established by governmental agencies.
  - b. The member is responsible for any increased costs in replacing a suspended contractor from an existing project, subject to No. 4 below.
- 4. Upon issuance of a notice of severe violation, the contractor shall not be allowed to submit any new application(s), and existing applications will be cancelled or rejected. However, the member of the manor issued the offense and any member who is currently using this contractor shall be allowed, with consultation, under special circumstances and only with the express written approval of MA to continue to use the offending contractor to finish an existing contract at the discretion of MA and in consideration of code compliance.

#### **Contractor Violation Description**

Any violation or suspension due to a violation hereunder will be viewed in totality for any work performed by the contractor in the mutual, and not on a per-project/mutual basis.

#### Moderate Violation

- 1. First offense Notice of moderate violation and no further action to be taken.
- 2. Second offense Escalation to severe violation pending MA conference (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). If MA determines no further action is needed, it remains a moderate violation without suspension. If determined to be a second violation, MA will apply a 30-calendar-day suspension from working in the mutual.

#### **Severe Violation**

- 1. First offense Notice of potential violation. Pending conference with MA (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). The result of this conference will be the basis a 30-calendar-day suspension.
- 2. Second offense Notice of violation and mandatory 90-day suspension.

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#### Attachment 1 continued – Contractor Violation Policy 03-21-XX

3. Third offense – Notice of violation and potential ban of contractor from all work within the mutual. A hearing shall be convened at an ACSC meeting for review of the circumstances. This shall be done at an ACSC hearing. Only board reinstatement can result in the contractor continuing to work in the mutual.

Suspensions resulting from the second and third offense violations will occur after a conference is held between MA and the contractor to determine if there was a violation or a misunderstanding. It shall also be determined if the member of the manor issued the offense and any member that is currently using this contractor, shall be allowed, under special circumstances, to continue to use the offending contractor to finish their existing contract at the discretion of MA and in consideration of code compliance.

## Regardless of the violations issued as noted herein, contractor and member may be subject to other costs as a result of damages to mutual property.

#### **Contractor Right to Dispute**

The contractor's right to dispute the violation shall be as follows:

- 1. The contractor has the right to dispute the MA notice of violation by emailing a hearing request to <u>alterations@vmsinc.org</u> and copying the MA supervisor and MA manager within seven calendar days of the notice of violation issuance to contractor.
- 2. Said hearing request will be heard by Third's ACSC at its next appropriate hearing date.
- 3. Should the contractor make a hearing request, all conditions of the violation, including the suspension, will remain in effect until the ACSC provides a final determination.

#### Attachment 2 – Exhibit A – Construction Rules & Obligations

#### Exhibit A – Construction Rules & Obligations

Both member and contractor shall abide by Exhibit A – Construction Rules & Obligations, may be held responsible for damages and take responsibility for the violations as a result of not complying with Exhibit A – Construction Rules & Obligations. Contractor agrees to comply with all rules and regulations, and violation provisions as stated in Exhibit A – Construction Rules & Obligations and the Contractor Violation Policy.

- 1. Mutual consent (MC) approvals: No improvement shall be installed, constructed, modified or altered at any manor (property) within Third Laguna Woods Mutual (mutual) without obtaining the proper demolition and new improvement permits in the forms of MCs for alterations and demolitions made to and approved in writing by Village Management Services Inc. (VMS), Manor Alterations Division (MA) or, in the event of a variance from the mutual's alteration standards, the Architectural Control and Standards Committee (ACSC) and the Third board. In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the property, the member agrees to comply with the mutual's governing documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
- All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the property's member and/or all future mutual members. Contractor may be held responsible to repair mutual property damaged and/or modified in the course of its work without having obtained the approval to do so via a duly executed MC.
- 3. Parking of contractors' or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible, contractors' or other invitees' vehicles should be limited in number.
- 4. A City of Laguna Woods permit may be required as well as a clearance requirement from the South Coast Air Quality Management District (SCAQMD) (asbestos hotline, 909-396-2336). Prior to the issuance of an MC for alterations and/or demolition, the appropriate City of Laguna Woods permit number(s) must be submitted to the MA office located in the Laguna Woods Village Community Center. The city permit must be approved within the prescribed time frame, and a copy of the final permit must be submitted to MA.
- 5. Member hereby consents and grants to the mutual, MA, the Maintenance and Construction Department and their representatives a right of property entry at any time to inspect said property and its improvements and for the mutual and the department, including its representatives and contractors, to remedy any violation upon the property, including, but not limited to, removing trash and/or any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.

#### Attachment 2 continued – Exhibit A – Construction Rules & Obligations

- 6. Subject to the Contractor Violation Policy, member and contractor shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents, any others who perform work on the property and any violation of the mutual's governing documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, damage to mutual property and use of mutual property for storage of equipment or materials without prior approval. member acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the mutual's rules and regulations; however, that does not relieve contractor from compliance with the rules due to ignorance or otherwise, as contractor will sign the MC for alterations and/or demolition as a condition to and requirement of any approval. Member shall be liable for any violation of the mutual's governing documents or for any damage caused by any invitee, including any fine, assessment or other charge levied in connection therewith; however, contractor is also responsible to repair all damage that was done in the execution of the alteration, consistent with item number two in this exhibit.
- 7. Member and contractor are responsible for following the gate clearance process in place to admit contractors and other invitees. See <u>http://www.lagunawoodsvillage.com</u>.
- 8. Member contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use mutual recreational facilities or other amenities while they are in Laguna Woods Village for performance of work in connection with the property.
- 9. All improvements must be installed in accordance with California State building code, and the published mutual architectural alterations standards, policies and guidelines. See <a href="http://www.lagunawoodsvillage.com">http://www.lagunawoodsvillage.com</a>.
- 10. During construction, work hours established by the mutual and the noise ordinance set forth in the City of Laguna Woods municipal code must be adhered to at all times. Except in an emergency, work hours from 7- a.m. to 5 p.m. on weekdays (only quiet work permitted from 7 to 8 A.M); Saturdays from 9 A.M. to 3 P.M.; and no work is permitted on VMS Inc. observed holidays , and Sunday.
  - a The list of VMS Inc. observed holidays is as follows: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day
  - b The holiday schedule will be updated annually and will be attached to the application package of the respective Mutual Consent(s).
- 11. During construction, both the MC for demolition, alterations and the city building permit must be on display for public view at all times in a location approved by MA.

#### Attachment 2 continued – Exhibit A – Construction Rules & Obligations

- 12. No waste or materials associated with the construction may be dumped in Laguna Woods Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
- 13. Call the Security Services Department at 949-580-1400 to receive dumpster location approval. All dumpsters must conform to the policy for temporary containers. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.
- 14. Call Security at 949-580-1400 for portable bathroom placement approval.
- 15. Violations of the forgoing conditions or the Mutual's governing documents (see <a href="http://www.lagunawoodsvillage.com">http://www.lagunawoodsvillage.com</a>), including, but not limited to, unpaid assessments, work outside the approved plans, excessive noise, illegal dumping or working outside of the allowable hours, will result in disciplinary action, which could result in a stop-work notice, loss of privileges and/or severe violations to the Contractor as presented in the Contractor Violation Policy.
- 16. Mutual member and his/her contractor shall indemnify, defend and hold harmless Third and its officers, directors, committee members, employees and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from the mutual shareholder's improvements and installation, construction, design and maintenance of same.
- 17. Mutual Consent Time of Completion
  - a. Establishment of a reasonable time frame for the Mutual Consent (MC): The MC initial time of completion shall be a reasonably established time duration of 180 days or less appropriate to the work listed on the Mutual Consent as agreed upon by MA and the contractor at the time of MC issuance and written on the MC designated line.
  - b. The Contractor may request, no fee extensions of time with MA at any time during the course of the work. Only an explanation of delay is needed for the issuance of extension(s) within the 180-day period of time. If the Contractor determines that additional time is needed beyond the maximum allowable 180 calendar days, the contractor and owner may request of Manor Alterations an extension of time as a result of Force Majeure events prior to expiration of the then valid Mutual Consent. The board would have to approve all extensions of time exceeding the reasonable time allowed by Manor Alterations.
  - c. The contractor shall not perform any work beyond the time approved by MA in this Article 14.

Third Laguna Woods Mutual Contractor Violation Policy March 15, 2022

#### Attachment 3 – Mutual Consent for Manor Alterations Revised Verbiage

THIRD : MUTUAL CONS	SENT FOR MAN	OR ALTERATIONS	Manor: Street:		
The undersigned, a member of Third Laguna I to as the "Corporation"), hereby requests per to the Manor. Said alteration (hereafter some terms and conditions printed on the reverse s which terms and conditions set out the respor Third Laguna Hills Mutual hereby designates t Mutual exclusively for the purpose of obtainin proposed herein. By signing hereon below bo Contractor Violation Policy and will adhere to	mission of the Corporation to times referred to as the "Wo side hereof, and the latest ve hsibilities of the member and that the member of Mutual li ng a City of Laguna Woods bu oth member and contractor a	o make the alteration described below rk") shall be performed subject to the rrsion of the Contractor Violation Policy, the below named contractor. isted below is a representative of the uilding permit for the alteration	Mutual Consent#:         Final Inspection:         A copy of the signed City Final Inspection is         required for final acceptance by the Mutual         City Demo Permit#:         Final Inspection:         City Permit#:         Final Inspection:         Rinal Inspection:         NAF:         Expiration Date of Mutual Consent:         Duration of Extension Granted:         Revised Expiration Date of Mutual Consent:		
MANOR MODEL NAME:		PLAN #:			
	PROPERTY OWNE	R / APPLICANT INFORMATION			
Name:		Phone:			
Street Address:					
City:	State:	Zip Code:			
Email:					
	CONTR	ACTOR INFORMATION			
Company Name:		Phone:			
Street Address:					
City:	State:	Zip Code:			
Email:	License:	Class:	Expires:		
PROJECT DESCRIPTION:			VALUATION: \$		
ALTERATIONS TO BE COMPLETED PER MUTUAL RULES & STANDARD SECTION(S):					
PER MUTUAL APPROVED STANDARD PLAN(	·				
PER MUTUAL APPROVED VARIANCE RESOLUTION #					

#### Attachment 3 (continued) – Mutual Consent for Manor Alterations Revised Verbiage

	Alteration process requires the ual Standard to which the requires the second standard to which the required by the second standard to which the second standard stand Standard standard stan		З.	We (Member and Contractor) also understand and agree that we are responsible for all risks in connection with all alteration(s) or improvement(s), including but no but not set the set of the set o
Consent applies, signature below i Consent will not 2. We (Member conformance if w that the Member	where applicable. To ensure indicates receipt of the Stand be issued without this require and Contractor) understand th ve do not conform to Mutual r may be subject to Member I sibility of a fine in accordance	compliance, the Member's ard is necessary, and a Mutual ed signature. hat we will be in non- Rules and Regulations, and Disciplinary Procedures,	4.	limited to, the costs of removing, altering, protecting, or replacing the same as ma be necessary or appropriate to conduct Corporation business. The Member understands and agrees that the Member is responsible for, and will bear all costs in connection with all alteration(s) or improvement(s), and remediation(s) required to complete the alteration(s) or improvement(s). The member and contractor will be responsible for any costs associated with remediation, clean-up or repair of mutual owned or controlled property, caused b or resulting from alteration(s) or improvement(s) or the installation thereof as a result of the contractor not following the protocols and policies outlined in the Mutual Rules and Regulations, Mutual Consent Form, and the Contractor Violation Policy.
inspection and app	ms listed on this Mutual Conser	it will be represented on the City of I ods. I also understand that the Mutu	Laguna	to adhere to the four directives listed above. a Woods building and demolition permit, and no work shall be covered without nsent will EXPIRE within such reasonable time as established by MA and
Signature o	f Member:			Date:
INSPECTOR.	I also understand that Mutua roves a documented request f	I Consent will EXPIRE within such	reaso ed in t	/ITHOUT INSPECTION AND APPROVAL by the CITY OF LAGUNA WOODS nable time as established by MA and Contractor, unless and until Manor the Mutual, the contractor acknowledges receipt of the Contractor Violation erms and conditions. Date:
AND OTHER BUIL PRUDENT MEASU FEDERAL, STATE,	DING COMPONENTS, LEAD-BA JRES TO PROTECT PERSONS AI AND LOCAL LAWS, ORDINANG	ASED PAINT MAY BE PRESENT. MEI ND PROPERTY BEFORE DISTURBING	MBER G SUC LATIN	AND HARMLESS IF NOT DISTURBED MAY BE PRESENT IN CEILINGS, FLOORS AND CONTRACTOR ARE CAUTIONED TO TAKE ALL REASONABLE AND H MATERIALS. MEMBER AND CONTRACTOR AGREE TO ABIDE BY ALL IG TO DISTURBANCE, REMOVAL AND/OR DISPOSAL OF ALL REGULATED D TO THE CORPORATION.
		FOR OF	FICE U	JSE ONLY
	This application is app	roved and said member is hereby	grant	ted permission to make the above described alteration(s).
Alteration Code(s	):			

Page 1 of 2

#### Attachment 4 – Mutual Consent for Demolition Revised Verbiage

THIRD : MUTUAL CONSENT FOR DEMOLITION				
The undersigned, a member of Third Laguna Hills Mutual, a California nonprofit corporation (hereafter referred to as the "Corporation"), requests permission of the Corporation to perform the demolition required to make the alteration described below to the dwelling. Said alteration (hereafter sometimes referred to as the "work") shall be performed subject to the terms and conditions printed on the reverse side hereof, which terms and conditions set out the responsibilities of the member and the below named contractor, if a, contractor is to perform said alteration; and which is incorporated herein and made a part hereof, and the latest revision Contractor Violation Policy, which terms and conditions set out the responsibilities of the member and the below named contractor.			Manor:	
Third Laguna Hills Mutual hereby designates that the member of Mutual listed below is a representative of the Mutual exclusively for the purpose of obtaining a City of Laguna Woods building permit for the alteration proposed herein. By signing hereon below both member and contractor acknowledge receipt of the entire Contractor Violation Policy and will adhere to the terms and			Duration of Extension Granted: Revised Expiration Date of Mutual Consent: 	
conditions. MANOR MODEL NAME:	PLAN	J #:		
	APPLICANT INFORM	MATION		
Name:	Pho	ne:		
Street Address:				
City:	State:	Zip Code:		
Email:				
	PROPERTY OWNER INF	ORMATION		
Name:	Pho	ne:		
Street Address:				
City:	State:	Zip Code:		
Email:				
	CONTRACTOR INFOR	MATION		
Company Name:	Pho	ne:		
Street Address:				
City:	State:	Zip Code:		
Email:	License#:	Class:	Expires:	
DEMOLITION DESCRIPTION:			VALUATION: \$	
IMPORTANT NOTICE: ASBESTOS CONTAINING MATERIALS MATERIALS DO NOT IMPOSE RISK IF NOT DISTURBED. LEAU ARE CAUTIONED TO TAKE ALL REASONABLE AND PRUDENT CONTRACTOR AGREE TO ABIDE BY ALL FEDERAL, STATE, AF LICENCES DURING DISTURBANCE, REMOVAL AND/OR DISP PROVIDED TO THE CORPORATION.	D-BASED PAINT AND LEAD CONTAINING MEASURES TO PROTECT PERSONS AND ND LOCAL LAWS, ORDINANCES, CODES #	CERAMIC TILES MAY A L S O PROPERTY BEFORE DISTURE AND REGULATIONS RELATED DISPOSAL MANIFESTS AND PO	BE PRESENT. MEMBER AND CONTRACTOR BING SUCH MATERIALS. MEMBER AND TO PROPER TESTING, PERMITS & REQUIRED SST REMOVAL CLEARANCES MUST BE	

#### Attachment 4 (continued) – Mutual Consent for Demolition Revised Verbiage

MEMBER & CONTRACTO	R: IMPORTANT, PLEASE READ CAREFULLY
<ol> <li>The Mutual's Alteration process requires the Mutual Member receive a copy of the Mutual Standard to which the requested Mutual Consent applies, where applicable. To ensure compliance, the Member's signature below indicates receipt of the Standard is necessary, and a Mutual Consent will not be issued without this required signature.</li> <li>We (Member and Contractor) understand that we will be in non-conformance if we do not conform to Mutual Rules and Regulations, and that the Member may be subject to Member Disciplinary Procedures, including the possibility of a fine in accordance with the Schedule of Monetary Penalties.</li> </ol>	<ol> <li>We (Member and Contractor) also understand and agree that we are responsible for all risks in connection with all alteration(s) or improvement(s), including but not limited to, the costs of removing, altering, protecting, or replacing the same as may be necessary or appropriate to conduct Corporation business.</li> <li>The Member understands and agrees that the Member is responsible for, and will bear all costs in connection with all alteration(s) or improvement(s), and remediation(s) required to complete the alteration(s) or improvement(s). The member and contractor will be responsible for any costs associated with remediation, clean-up or repair of mutual owned or controlled property, caused by or resulting from alteration(s) or improvement(s) or the installation thereof as a result of the contractor not following the protocols and policies outlined in the Mutual Rules and Regulations, Mutual Consent Form, and the Contractor Violation Policy.</li> </ol>
	ds building and demolition permit, and no work shall be covered without inspection and approval by
the City of Laguna Woods. I also understand that the Mutual Consent will EXPIRE within such reas	onable time as established by MA and Contractor, unless extended in writing by Manor Alterations.
Signature of Member:	Date:
I have received, read, understand, and agree to follow and confirm to all current Mutual Standards of California and agree to perform the work subject to the terms and conditions printed on the WITHOUT INSPECTION AND APPROVAL by the CITY OF LAGUNA WOODS INSPECTOR. I also Contractor, unless Manor Alterations approves a documented request for extension. For all work p	T, PLEASE READ CAREFULLY regarding this alteration(s). In addition, I am a contractor licensed pursuant to the laws of the State reverse side of this application. I will ensure that items requiring Inspections will not be covered lerstand that Mutual Consent will EXPIRE within such reasonable time as established by MA and reformed in the Mutual, the contractor acknowledges receipt of the Contractor Violation policy and rms and conditions.
Signature of Contractor:	Date:
FOR OFFICE US	E ONLY
Alteration Code(s):	
Date: VMS, INC:	Permit Fee: \$ Penalty Fee: \$
	Page 1 of 2

#### Attachment 5 – VMS Inc. Observed Holidays List

Village Management Services, Inc.

# To:VMS EmployeesFrom:Carrie Weldon, Human Resource DirectorSubject:2022 Holiday Schedule

Holiday	Date Observed	Day of the Week
New Year's Day*	December 31, 2021	Friday
President's Day	February 21, 2022	Monday
Memorial Day	May 30, 2022	Monday
Independence Day	July 4, 2022	Monday
Labor Day	September 5, 2022	Monday
Veterans Day	November 11, 2022	Friday
Thanksgiving Day	November 24, 2022	Thursday
Day after Thanksgiving	November 25, 2022	Friday
Christmas Eve**	December 23, 2022	Friday
Christmas Day***	December 26, 2022	Monday

\*New Year's Day (January 1) falls on a Saturday and VMS will observe the holiday on the previous Friday (December 31).

\*\*Christmas Eve (December 24) falls on a Saturday and VMS will observe the holiday on the previous Friday (December 23).

\*\*\*Christmas Day (December 25) falls on a Sunday and VMS will observe the holiday on the following Monday (December 26).

Attachment 6 – Resolution 03-22-XX



#### **RESOLUTION 03-22-XX** Contractor Violation Policy

**WHEREAS,** the purpose of the Contractor Violation Policy is to enact a unilateral and unambiguous matrix of violations, and potential ban, for contractors who violate current Mutual rules and obligations or exceed the scope of approval for a project; and

**WHEREAS,** this pending Resolution would make the Contractor Violation Policy permanent and provide a clear template for invoking penalties, inclusive of temporary or potentially permanent suspension from work within Laguna Woods Village with the allowance for approved timeline extensions; and

**WHEREAS**, the Third ACSC and Manor Alterations agree that the Contractor Violation Policy will be effective and both recommend the approval by the Board.

**NOW THEREFORE, BE IT RESOLVED,** on March 15, 2022, the Third Mutual Board hereby approve the Contractor Violation Policy as attached to these minutes; and

**RESOLVED FURTHER,** that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

FEBRUARY Initial Notification—28-day notification for Member review and comments to comply with Civil Code §4360 has been satisfied

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Agenda Item # 13b Page 16 of 16



#### STAFF REPORT

# DATE:March 15, 2022FOR:Third Laguna Hills Mutual BoardSUBJECT:Common Area Water Heater Enclosure Revision

#### RECOMMENDATION

The Third ACSC recommends the Third Board approve the following:

- 1. Approve Resolution 03-22-XX suspending further use of the existing Standard 32, Water Heater Relocation until a new standard is adopted, and
- 2. Approve Manor Alterations (MA) to contract with Cardoso and Associates in the amount of \$6,170 to revise the standard drawings for a new rot resistant water heater enclosure.

#### BACKGROUND

Standard 32 – Water Heater Relocation exists as a standard for mutual consent permit issuance that allows water heaters to be relocated into common areas as an over the counter Mutual Consent ("MC") by MA per original resolution dated August 1992, and lastly by revised March 2019, Resolution 03-19-34.

Water Heater cabinets are currently constructed of non-pressure treated wood framing and ½" thick T-111 plywood veneers per the existing Standard 32. These materials are susceptible to rot, which require continued maintenance by the members, as these cabinets are considered Alterations. MA and the Compliance divisions are tasked with the initial notice and follow up in the obligation of water heater enclosure maintenance compliance.

During the October 25, 2021 ACSC meeting, Manor Alterations (MA) was asked to investigate the cost to revise the current Resolution Standard 32 (Attachment 1), with an alternative material. Specifically, a more rot resistant material was requested.

During the November 22, 2021 ACSC meeting, discussion ensued as to which material upgrades would be most efficient and cost-effective, ultimately deciding that Staff should provide a cost analysis of upgrades. The committee elected to call a motion to grant a temporary stay prohibiting new installations of water heater cabinets within common area. The motion passed to be recommended to the Board. Then a motion was passed to have staff gather costs and pricing to create a new standard for water heater cabinets, inclusive of update occurring before a resale is completed, which would be reviewed by the ACSC before submitting to the Board for approval.

During the December 27, 2021 ACSC meeting, a motion was passed to recommend Option 1 of the completed Staff Report to the Third Mutual Board with the following conditions attached;

- 1. All current water heater enclosures must meet the current standards for landscaping
- 2. If a current water heater enclosure is deteriorating, they must be updated
- 3. If a water heater enclosure is deteriorating, it must be updated within the course of sale of a manor

During the January 18, 2022 Board meeting, the previously recommended Staff Report was read and discussed. Due to a Civil Code 4360, a 28-day postponement was enacted in advance of the Board enacting the resolution. The conditions of approval were reviewed, and the Board requested a change to a specific line item. Previously, one condition of approval stated:

- In the event the W.H. cabinet and its landscaping are not properly maintained the member shall lose all rights to its presence in common area.

This condition was noted to be changed to state:

- "In the event the W.H. cabinet is not properly maintained; the member may lose all rights to its presence in common area. Unmaintained landscape shall be reviewed for member versus mutual responsibility during the compliance process."

As a side note: Manor Alterations shall identify landscaping deficiencies and notify member of need for correction. All cost to properly maintain required landscaping shall be at the member's expense.

During the January 24, 2022 ACSC meeting, the committee discussed how members will complete their assumed upgrade to the newly approved standard, including the cost comparison between an outside vendor completing the work v VMS, and the inclusion of language concerning the timeline for completion. Due to the volume of proposed amendments to the previously recommended proposed WH Enclosure policy, Mr. Doncost suggesting removing the report from the upcoming Third Board agenda in order for further review. The committee approved to withdraw the report by consensus.

#### DISCUSSION

## Prohibition of Water Heaters in Common Area and New Water Heater Standard Maintenance Upgrade

Manor Alterations discusses the use of Standard 32 and the desire of the mutual to suspend the use of Common Area for the purpose of water heater relocations. In order to suspend further encroachment into Common Area, a Resolution would need to be approved suspending the further approval of water heater cabinets in common area.

Some members have noted in correspondence to MA, concerns about the enclosures, stating that the exterior cabinets take up common area, and they compromise the aesthetics of the Village. They further asked that the external cabinets be re-considered by the ACSC and potentially not allowed in the mutual. It has been suggested that alternative tankless heaters be used inside the manors in lieu of these exterior cabinets. Interior tankless heaters are not feasible without electrical upgrades to the electrical panels.

It should be noted that many of the manors' electrical systems are at maximum capacity with no ability to accommodate an increase in electrical load without significant cost to the member via an electrical panel upgrade. Tankless electric is not desirable due to the added electrical requirements. Each one needs (3) 30-amp breakers dedicated, this is not possible with the current electrical service panels and would require significant upgrades to the electrical panels in the manors. This limitation restricts tankless systems. Gas supply is limited to only a few buildings in the 5,000-range area, which prohibits a gas heating option. Therefore, the majority of the water heaters are electric water tank heated.

Interior relocations of water heaters would not be affected by the suspension of Standard 32. Interior relocations fall under separate alterations, which do not carry the same restrictions as alterations on common area.

The election to suspend the installation of future water heaters and enclosures in common areas would be enacted with the approval of Resolution 03-22-XX and includes the following conditions:

- 1. All existing and prior MA approved exterior W.H. enclosures would be allowed to remain and continue to exist or "grandfathered" until the manor is re-sold at which time the new Standard will apply. The existing enclosure and W.H. maintenance will continue as an obligation of the member as an Alteration.
- If the manor is to be sold (resale) the original wood constructed W.H. enclosure shall be upgraded to the new Standard as generally represented by Attachment One - Standard 32 Water Heater Relocation with Redlined Comments prior to the real estate closing escrow.
  - a. In an effort to not delay a sale or closing, the obligation to construct the new water heater enclosure maybe transferred to the new buyer by allowing the use of a Buyer & Seller Agreement. The terms of this Agreement shall include provisions as follows:
    - i. The new enclosure to be constructed at the Buyer's cost within 180 days from close of escrow unless otherwise extended for reasonable cause.
    - ii. Buyer shall obtain a mutual consent and city approval in accordance with the new water heater standard with Manor Alterations.
    - iii. The mutual shall be allowed to withhold funds in the amount of \$4,000 to assure the timely completion of the new water heater enclosure. Any amount in excess of the actual cost to build the W.H. enclosure shall be refunded to the party named in the holdback agreement.
    - iv. In the event the Buyer does not complete the water heater work, the mutual's agent shall have the right to either contract with a 3<sup>rd</sup> party contractor, or use its labor to complete the water heater work. Any un-used withheld balance shall be returned to the party offering the holdback.
- 3. In the event the W.H. enclosure is not properly maintained; the member may lose all rights to its presence in common area. Any unmaintained landscape shall be reviewed for member versus mutual responsibility during the compliance process.

If the existing enclosure needs to be re-constructed for any reason the enclosure must be constructed according to the new Standard 32.

- 4. Due to rot or removal for mutual maintenance activities, the cabinet shall be built back to the new Standard 32.
- 5. All landscaping shall be installed per the new Standard 32. The member shall contact Landscaping Services to arrange for the installation of adequate landscaping material and any irrigation work which shall be at the member's sole cost and expense.

As requested by the Committee, staff solicited proposals (Attachment 2) from qualified consultants to completely revise Standard 32, including new details and specifications. Only one consultant submitted proposals, Cardoso & Associates. The proposal and its fee have been evaluated and have found them to be responsive and within industry standards. Staff recommends approval of the contract with Cardoso and Associates as they have an continue to provide services to the mutual.

Upon approval of the proposed resolution and subsequent execution of a contract, staff would then present the new Standard for Water Heater Enclosures to the ACSC and Board for review and final adoption, inclusive of these edited drawings.

Tank water heater enclosure replacement comparisons (Attachment 3) indicate that the new rot resistant design would cost approximately \$786 more to build than the existing enclosures.

#### FINANCIAL ANALYSIS

Funding for the redesign and plan check fee for a new W.H. standard drawing is proposed to come from the 2022 Budget of Outside Services,53704000 – Outside Services of \$10,000.

- Prepared By: Robbi Doncost MA Manager
- Reviewed By: Gavin Fogg MA Supervisor Baltazar Mejia, P.E. – Maintenance & Construction Assistant Director
- **Committee Routing:** Third ACSC Committee

#### ATTACHMENT(S)

Attachment 1 – Standard 32 Water Heater Relocation with Redlined Comments

Attachment 2 – Request for Design Consulting Services Standard 32 Revision and Fee Proposal

Attachment 3 – Request for Construction Estimate of Standard 32 Revision and Preliminary Construction Costs

Attachment 4 – Financial Analysis

Attachment 5 – Resolution 03-22-XX

#### Attachment One – Standard 32 Water Heater Relocation with Redlined Comments



#### PROPOSED REVISIONS IN RED

#### STANDARD 32: WATER HEATER RELOCATION

AUGUST 1992 REVISED MAY 2003, RESOLUTION 03-03-45 GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49 <u>REVISED MARCH 2019, RESOLUTION 03-19-34</u> POTENTIAL NEW STANDARD FOR WATER HEATERS

#### 1.0 GENERAL REQUIREMENTS

See Standard Section 1: General Requirements

#### 2.0 APPLICATIONS

- 2.1 Water heaters located outside of the manor must be enclosed in an exterior storage cabinet. <u>Cabinets must match the exterior finish</u> (i.e.stucco) in material and color of the building. Future costs for the maintenance of the cabinet will be at Mutual member's expense.
- 2.2 The cabinet shall be designed to conceal a single water heater. Any deviation from this Standard, such as to allow for a water softener, must have approval from the Alterations Division and meet all other existing Mutual Standards.
- 2.3 Water heaters located outside of the manor must respect the view of an adjacent manor. The Alterations Division must approve of the proposed location of the water heater for aesthetic and/or maintenance purposes prior to a Mutual Consent being issued.
- All exterior water heaters will be placed on a concrete pad, or approved equal.
- 2.5 All exterior water heaters shall be concealed, where possible, by landscape. All such landscape installations or modifications in Common Area will be performed by the VMS Landscape Division and paid for by the Mutual member.
- 2.6 No units will be located on the exterior of the dwelling unit except as outlined in this section.
- 2.7 Pressure and temperature relief valves and related drainage lines for the water heaters, must be installed to all applicable Building Codes.

#### Attachment One (continued) – Standard 32 Water Heater Relocation with Redlined Comments



- 2.8 Water heaters which are being relocated on the interior of a manor are required to install a leak detection device and drain pan per Code.
- 2.9 All water heaters which are found to be in service for a duration of 10 years, of an indeterminable age or in disrepair will require replacement.

#### 3.0 PLUMBING

- 3.1 All plumbing supply and distribution lines will be of Type L copper or PEX per applicable code. No galvanized or PVC fittings will be allowed.
- 3.2 Pressure and temperature relief valve drainage lines will be of type L copper or CPVC pipe per code and all new installations on the exterior must drain to the exterior.
- 3.3 No exposed plumbing will be permitted for relocated units. All plumbing and required insulation will be enclosed with an approved Thermo Cell cover and painted to match the surface it is on.
- 3.4 All penetrations through exterior walls shall be completely sealed and water-tight.
- 3.5 Any change in the water heater tank, or new tank installed at time of relocation of the water heater will be 100% at the Mutual member's expense.

#### 4.0 ELECTRICAL

- All exterior conduit placement must first be approved by the Alterations Divison.
- 4.2 Exposed rigid conduit shall be painted to match the surface it is on.
- 4.3 All electrical conductors shall be installed in rigid or flexible conduit.

#### 5.0 STRAPPING

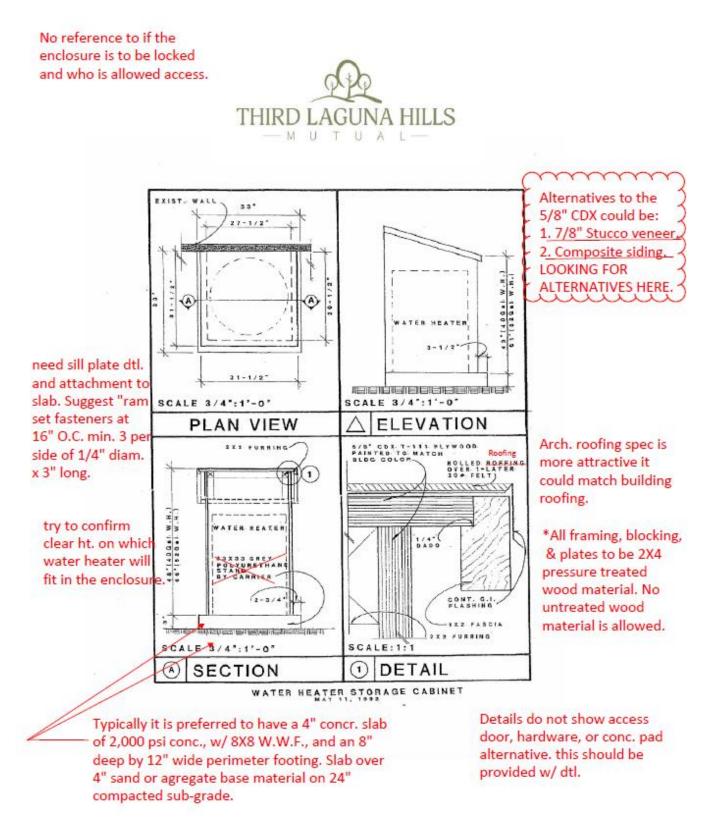
5.1 All new or relocated water heaters will be anchored or strapped to resist horizontal displacement due to earthquake motion to meet all applicable Building Codes.

#### 6.0 LANDSCAPING

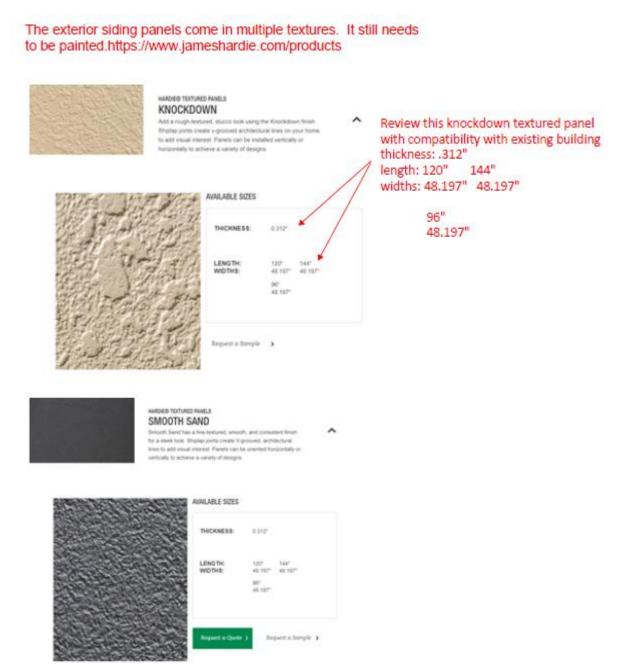
6.1 The member shall make arrangements with VMS Landscaping to confirm and/or re-route all sprinkler irrigation heads so that irrigation water does not contact the new water heater enclosure. The member shall bear all cost associated with any revision to the Common Area sprinkler system. Verification of the sprinkler system conformity to this paragraph shall be made in writing to Manor Alterations.

Final Line of 6.1 – Replace with the following: Once landscaping completes the sprinkler system conformity, landscaping shall notify Manor Alterations of such.

### Attachment One (continued) – Standard 32 Water Heater Relocation with Redlined Comments



### Attachment One (continued) – Standard 32 Water Heater Relocation with Redlined Comments



### Attachment Two - Request for Design Consulting Services Standard 32 Revision

### Consultant Scope of Work 10/27/2021

General Information: The purpose of this memorandum is to provide sufficient information to the consultant in the preparation of a cost estimate for the drafting, architectural services, and Alternative to include Plan Check services described herein.

Manor Alterations Standard 32: This Standard for Water Heater Relocation describes in text and drawing the requirements of a water heater relocation the residents may be allowed to construct at issuance of a mutual consent. The focus of this request is the re-drawing of the four (4) page 4 drawings of Plan View, elevation, section, and Detail with specifications of construction incorporating the redlined notes into a final digital product for MA issuance with Mutual Consents.

As noted by the redlines, MA is attempting to eliminate wood rot and use more durable material for longevity. The addition of the Hardi Panels and their specification is a vital component of this revision.

### Additional Provisions

- VMS as agent for the Mutual, shall be allowed to retain rights and license to the use and distribution of this detail, for its intended purpose, issued to residents and contractors for their use in constructing the water heater enclosures throughout the Laguna Woods Village at both United and Third Mutuals, at its sole and absolute discretion.
- VMS as agent for the Mutual, shall be allowed to retain the AutoCad (or electronic equivalent) file for future revisions to this heater cabinet detail. VMS shall indemnify Consultant for any changes made to the original work product provided by the Consultant.

The architectural drafting and design bid should include the following attached Bid Form.

### Attachment Two (continued) - Request for Design Consulting Services Standard 32 Revision

BID I	FORM		Oct. 27, 20	)21					
	Drafting								
1	Drafting o	f min. (4) n	ew Dtls.			\$	-		
2	Provide M	Mtl. Flashing and Caulking Spec at E		Ex. Wall	\$	-			
3	Provide No	vide New Door Dtls. And Hardware Spec			C	\$	-		
4	Notes on	Notes on Dwgs. Reflecting Redlines				\$	-		
5	New Slab	Design, Pair	nt Colors			\$	-		
6	Provide Ha	Provide Hardi-Panel Notes & Dtls.				\$	-		
					Subto	Subtotal Drafting \$			
	1st Review	/ & Revisio	ns						
7			for Review	and Comn	nent	\$	-		
8	Pick Up MA Comments for Final Product					\$	-		
					Subtotal	1st R	eview	\$-	
	RNATIVEC		TY PLAN CH	HECK					
9	I	w/ City L.				\$	-		
10	Pick Up of all City Comments Ready for issuance					Ś	-		
					Alternate	Plan	Check	\$-	
					CRAND	тот		) COST* **	<b>\$</b> -
					GRAND	101/		COST	Ş -
	* All plan check fees to be reimbursed by VMS as an additional expense.								
	** Include all reimbursable expenses including travel, and plan printing in the								
	Bid items noted above. The Lump Sum Fee is to be inclusive of all cost.								

### Attachment Two (continued) - Request for Design Consulting Services Standard 32 Revision

### EXHIBIT "A" - STANDARD 32: WATER HEATER RELOCATION Robbi's Comments 10/1

OBJECTIVE-

1. The mutuals have asked MA to review the current standard and provide an alternative to WOOD construction THIRD LAGUNA HILLS

### 

### STANDARD 32: WATER HEATER RELOCATION

AUGUST 1992 REVISED MAY 2003, RESOLUTION 03-03-45 GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49 REVISED MARCH 2019, RESOLUTION 03-19-34 POTENTIAL NEW STANDARD FOR WATER HEATERS

### 1.0 GENERAL REQUIREMENTS

See Standard Section 1: General Requirements

### 2.0 APPLICATIONS

- 2.1 Water heaters located outside of the manor must be enclosed in an exterior storage cabinet. <u>Cabinets must match the exterior finish</u> (i.e.stucco) in material and color of the building. Future costs for the maintenance of the cabinet will be at Mutual member's expense.
- 2.2 The cabinet shall be designed to conceal a single water heater. Any deviation from this Standard, such as to allow for a water softener, must have approval from the Alterations Division and meet all other existing Mutual Standards.
- 2.3 Water heaters located outside of the manor must respect the view of an adjacent manor. The Alterations Division must approve of the proposed location of the water heater for aesthetic and/or maintenance purposes prior to a Mutual Consent being issued.
- All exterior water heaters will be placed on a concrete pad, or approved equal.
- 2.5 All exterior water heaters shall be concealed, where possible, by landscape. All such landscape installations or modifications in Common Area will be performed by the VMS Landscape Division and paid for by the Mutual member.
- 2.6 No units will be located on the exterior of the dwelling unit except as outlined in this section.
- 2.7 Pressure and temperature relief valves and related drainage lines for the water heaters, must be installed to all applicable Building Codes.

### Attachment Two (continued) - Request for Design Consulting Services Standard 32 Revision



- 2.8 Water heaters which are being relocated on the interior of a manor are required to install a leak detection device and drain pan per Code.
- 2.9 All water heaters which are found to be in service for a duration of 10 years, of an indeterminable age or in disrepair will require replacement.

#### 3.0 PLUMBING

- 3.1 All plumbing supply and distribution lines will be of Type L copper or PEX per applicable code. No galvanized or PVC fittings will be allowed.
- 3.2 Pressure and temperature relief valve drainage lines will be of type L copper or CPVC pipe per code and all new installations on the exterior must drain to the exterior.
- 3.3 No exposed plumbing will be permitted for relocated units. All plumbing and required insulation will be enclosed with an approved Thermo Cell cover and painted to match the surface it is on.
- 3.4 All penetrations through exterior walls shall be completely sealed and water-tight.
- 3.5 Any change in the water heater tank, or new tank installed at time of relocation of the water heater will be 100% at the Mutual member's expense.

#### 4.0 ELECTRICAL

- All exterior conduit placement must first be approved by the Alterations Divison.
- 4.2 Exposed rigid conduit shall be painted to match the surface it is on.
- 4.3 All electrical conductors shall be installed in rigid or flexible conduit.

#### 5.0 STRAPPING

5.1 All new or relocated water heaters will be anchored or strapped to resist horizontal displacement due to earthquake motion to meet all applicable Building Codes.

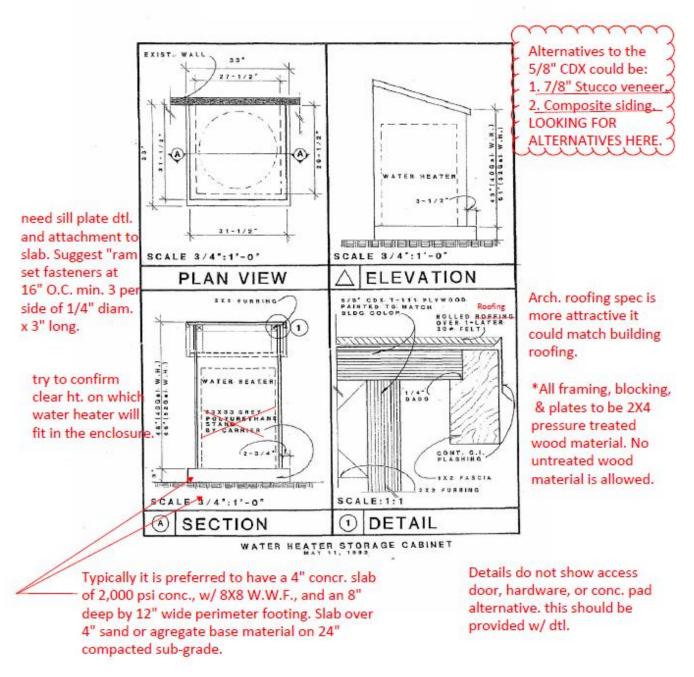
#### 6.0 LANDSCAPING

6.1 The member shall make arrangements with VMS Landscaping to confirm and/or re-route all sprinkler irrigation heads so that irrigation water does not contact the new water heater enclosure. The member shall bear all cost associated with any revision to the Common Area sprinkler system. Verification of the sprinkler system conformity to this paragraph shall be made in writing to Manor Alterations.

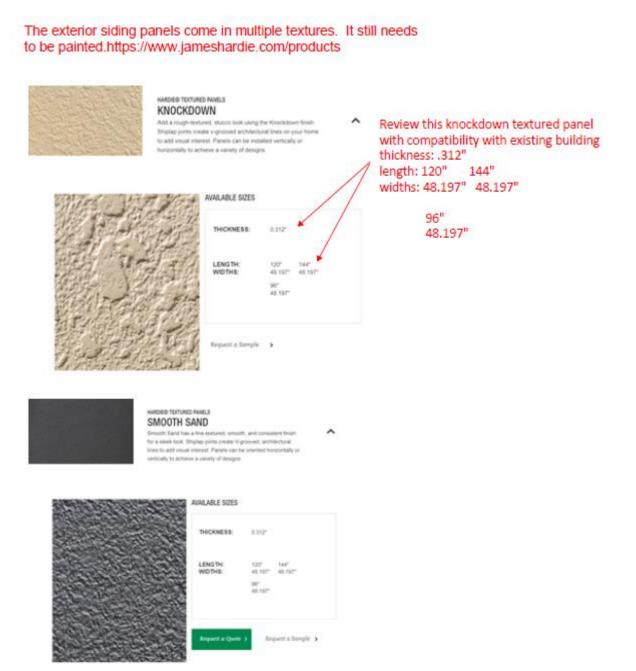
### Attachment Two (continued) - Request for Design Consulting Services Standard 32 Revision

No reference to if the enclosure is to be locked and who is allowed access.





### Attachment Two (continued) - Request for Design Consulting Services Standard 32 Revision



### Attachment Two (continued) - Request for Design Consulting Services Standard 32 Revision

Schedule of Performance: The successful bidder shall provide the work product in the following time allowances;

- 1. MA Receipt of 1<sup>st</sup> Draft Drawings
- 2 Weeks of Contract Signing
- 2. MA Comments (not a part of schedule)
- 3. MA Receipt of Final Drawings with Specs
- 1 Weeks of Receipt 1 Weeks of Receipt of MA Comments

**Payment:** Final Payment shall be made to the Consultant within 45 calendar days after the satisfaction of the following pre-requisites for payment;

- 1. Consultant satisfaction of the Schedule of Performance,
- 2. VMS receipt of the Final Drawings with Specifications,
- 3. Completion of the Work, Mechanic's Lien Release, and VMS receipt of a final invoice.

Consultant shall execute VMS standard vendor contract for the Work described herein. Other provisions shall apply and are not indicated within this Request for Consultant Services.

It is the intent of VMS to award the contract to the lowest and most qualified bidder. The Due Date of the Bid Form is November 5, 2021 by end of day. Bid may be emailed to <u>Robbi.Doncost@vmsinc.org</u>. If you have any questions or clarifications you may ask them up to and including November 3, 2021.

I look forward to receiving you Bid on November 5, 2021. Thank you in advance for the effort.

### Attachment Three – Request for Construction Estimate of Standard 32 Revision Request for Construction Estimate of Standard 32 Revision 10/27/2021

General Information: The purpose of this memorandum is to request a preliminary construction estimate to compare the cost of the standard Current water heater enclosure to the cost to construct the new Proposed Standard 32 Revision (attached for your use).

Manor Alterations Standard 32: This Standard for Water Heater Relocation describes in text and drawings the requirements of a water heater relocation the residents may be allowed to construct at issuance of a mutual consent. The future work, as noted by redlines, would be revised by a design consultant for a new standard. The changes include the redlined comments which would be the redrawing of the four (4) page 4 drawings of Plan View, elevation, section, and Detail with specifications of construction incorporating the redlined notes into a final digital product for MA issuance with Mutual Consents.

Con	struction Estimate Form Compar	ision		Oct. 27, 20	21
	Current Standard 32 Water Heater (w/o r	edline work)			
1	Pre-Manuf. Carrier 33x33 stand	\$	-		
2	Wood Fram'g Walls & Roof	\$	-		
3	Rolled Roofing	\$	-		
4	Painting of T-111	\$	-		
5	Door and Hdw'r	\$	-		
6	Mtl. Flashing & Caulking				
7	Misc. Work (grade prep., L&I)	\$	-		
	<b>Construction Estimate of Current</b>	Standard 30 D	)esign	\$ -	
	New Proposed Design 32 Water Heater (w	with redline work)			
1	4" Conc. Slab w/ Reinf.	\$	-		
2	P.T. Wood Frm'g and Roof	\$			
3	Roofing Match Bldg.	\$			
4	Hardi-Panels & Trim	Ś	-		
5	Door and Hdw'r				
6	Mtl. Flashing & Caulking	\$	-		
7	Misc. Work (grade prep., L&I)	\$			
				\$ -	
COI	nstruction Estimate of New Propo	osea Realine L	Jesign	<b>ə</b> -	

The construction estimate is indicated on the Estimated Construction Cost Form:

### Attachment Three (continued) – Request for Construction Estimate of Standard 32 Revision

Schedule of Performance: The successful bidder shall provide the work product in the following time allowances;

- 1. MA Receipt of 1<sup>st</sup> Draft Drawings
- 2 Weeks of Contract Signing
- MA Comments (not a part of schedule)
- MA Receipt of Final Drawings with Specs
- 1 Weeks of Receipt
- 1 Weeks of Receipt of MA Comments

Payment: Final Payment shall be made to the Consultant within 45 calendar days after the satisfaction of the following pre-requisites for payment;

- 1. Consultant satisfaction of the Schedule of Performance,
- 2. VMS receipt of the Final Drawings with Specifications,
- 3. Completion of the Work and VMS receipt of a final invoice.

VMS acknowledges the effort requested by this request. You have been considered for this task in consideration of the great past working relationship, and future work that will be accomplished as we both proceed to the work of maintenance and growth of the Village assets. Thank you for your contributions.

I respectfully request that the information be provided no later than November 8, 2021. This would then allow me time to assemble the Report for the governing committees and boards for presentation. Let me know if you have any questions or need further clarifications. Thank you in advance for the effort. If you feel you do not or cannot provide this information please let me know as soon as convenient.

### Attachment Three (continued) – Request for Construction Estimate of Standard 32 Revision

### EXHIBIT "A" - STANDARD 32: WATER HEATER RELOCATION Robbi's Comments 10/1

### OBJECTIVE-

1. The mutuals have asked MA to review the current Standard and provide an alternative to WOOD construction THIRD LAGUNA HILLS



### PROPOSED REVISIONS IN RED

### STANDARD 32: WATER HEATER RELOCATION

AUGUST 1992 REVISED MAY 2003, RESOLUTION 03-03-45 GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49 REVISED MARCH 2019, RESOLUTION 03-19-34 POTENTIAL NEW STANDARD FOR WATER HEATERS GENERAL REQUIREMENTS

#### -

See Standard Section 1: General Requirements

### 2.0 APPLICATIONS

1.0

- 2.1 Water heaters located outside of the manor must be enclosed in an exterior storage cabinet. <u>Cabinets must match the exterior finish</u> (i.e.stucco) in material and color of the building. Future costs for the maintenance of the cabinet will be at Mutual member's expense.
- 2.2 The cabinet shall be designed to conceal a single water heater. Any deviation from this Standard, such as to allow for a water softener, must have approval from the Alterations Division and meet all other existing Mutual Standards.
- 2.3 Water heaters located outside of the manor must respect the view of an adjacent manor. The Alterations Division must approve of the proposed location of the water heater for aesthetic and/or maintenance purposes prior to a Mutual Consent being issued.
- All exterior water heaters will be placed on a concrete pad, or approved equal.
- 2.5 All exterior water heaters shall be concealed, where possible, by landscape. All such landscape installations or modifications in Common Area will be performed by the VMS Landscape Division and paid for by the Mutual member.
- 2.6 No units will be located on the exterior of the dwelling unit except as outlined in this section.
- 2.7 Pressure and temperature relief valves and related drainage lines for the water heaters, must be installed to all applicable Building Codes.

### Attachment Three (continued) – Request for Construction Estimate of Standard 32 Revision



- 2.8 Water heaters which are being relocated on the interior of a manor are required to install a leak detection device and drain pan per Code.
- 2.9 All water heaters which are found to be in service for a duration of 10 years, of an indeterminable age or in disrepair will require replacement.

### 3.0 PLUMBING

- 3.1 All plumbing supply and distribution lines will be of Type L copper or PEX per applicable code. No galvanized or PVC fittings will be allowed.
- 3.2 Pressure and temperature relief valve drainage lines will be of type L copper or CPVC pipe per code and all new installations on the exterior must drain to the exterior.
- 3.3 No exposed plumbing will be permitted for relocated units. All plumbing and required insulation will be enclosed with an approved Thermo Cell cover and painted to match the surface it is on.
- 3.4 All penetrations through exterior walls shall be completely sealed and water-tight.
- 3.5 Any change in the water heater tank, or new tank installed at time of relocation of the water heater will be 100% at the Mutual member's expense.

### 4.0 ELECTRICAL

- 4.1 All exterior conduit placement must first be approved by the Alterations Divison.
- 4.2 Exposed rigid conduit shall be painted to match the surface it is on.
- 4.3 All electrical conductors shall be installed in rigid or flexible conduit.

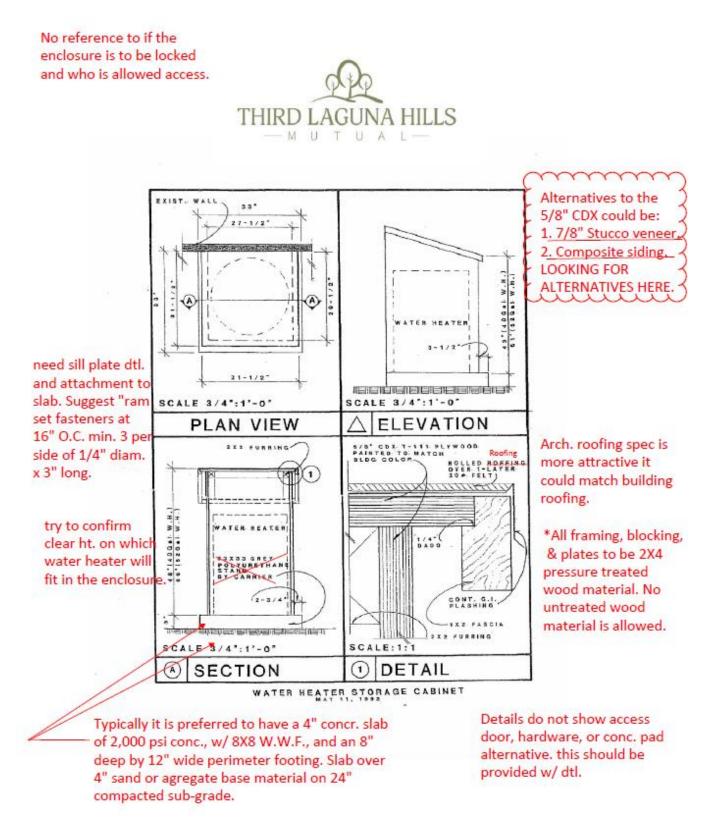
### 5.0 STRAPPING

5.1 All new or relocated water heaters will be anchored or strapped to resist horizontal displacement due to earthquake motion to meet all applicable Building Codes.

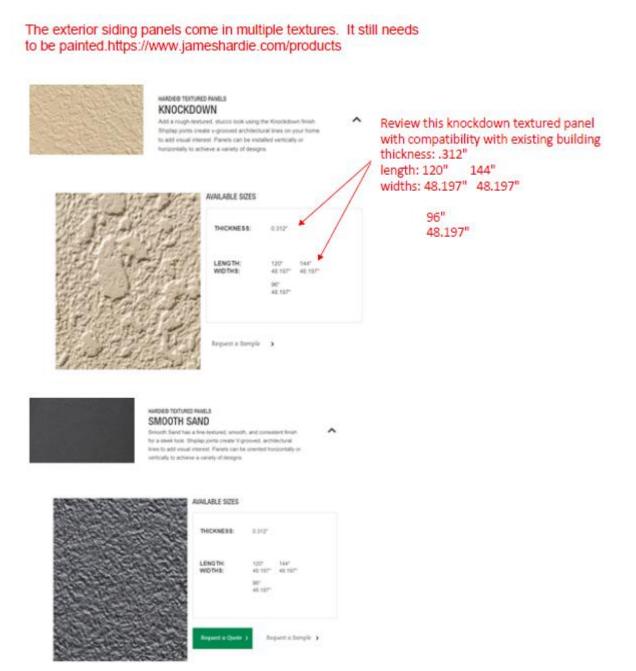
### 6.0 LANDSCAPING

6.1 The member shall make arrangements with VMS Landscaping to confirm and/or re-route all sprinkler irrigation heads so that irrigation water does not contact the new water heater enclosure. The member shall bear all cost associated with any revision to the Common Area sprinkler system. Verification of the sprinkler system conformity to this paragraph shall be made in writing to Manor Alterations.

### Attachment Three (continued) – Request for Construction Estimate of Standard 32 Revision



### Attachment Three (continued) – Request for Construction Estimate of Standard 32 Revision



### **Attachment Four – Financial Analysis**

Water Heater Construction Cost Comparison					11/11/21 Rev 11/29/21			
A comparison of the Standard 32 to a new design is provided. BFC is Brian Foster Construction. SCC is South Coast Construction. The member shall be responsible for the re-construction cost.								
Current Standard W.H.	BFC			SCC				
Pre-Manf. Carrier 33x33 Stand	Ş	175		Ş	105			
Wood Frm'g Walls & Roof	\$	500		\$	944			
Rolled Roofing	\$	150		\$	125			
Painting of T-111 Plywd.	\$	200		\$	136			
Door and Hdw'r	Ş	-		\$	95			
Mtl. Flashing & Caulking	Ş	75		\$	75			
Misc. Work (grade prep., L&I)	\$	180		\$	68			
Construction Estimate of Current Stand	lard 30	) Design	BFC			\$ 1,548 SCC		
New Proposed Design 30 Water Heater (w/	Redlin	e Cmm't		Average	e Cost (	Comparison \$ 1,414		
4" Conc. Slab w/Reinf.	ş	415		Ş	295			
P.T. Wood Frm'g Walls & Roof	ş	500		ş	990			
Roofing Match Bldg.	ş	350		ş	225			
Stucco	ş	600		ş		SCC comparable		
Door and Hdw'r	ş	-		ş	95			
Mtl. Flashing & Caulking	ş	75		ş	75			
Misc. Work (grade prep., L&I)	ş	180		ŝ	-			
			\$ 2,120	-		\$ 2,280		
			BFC			SCC		
			1	Average	e Cost (	Comparison \$ 2,200		
Conclusions								
Average Construction Cost Current	Ş	1,414						
Average Construction Cost New Design	\$	2,200						
Difference in Cost Comparison		786	Added to I materials	New De	sign of	f rot resistant		

### General Summary Notes:

These estimates show that the original design is less expensive to build. The Current Standard 32 does not look as appealing as the new revised design. Actual Bids are included for evidence of bid numbers used herein. A SOW is include for reference of a uniform SOW comparision.

### Attachment Four (continued) – Financial Analysis

### Water Heater Design Revision Cost Comparison

Two RFP's issued and one estin	nate rec	eived.	
	Card	loso	
Part One Drafting, Specs, Rev.	& As	SOC.	
Drafting Details	\$	840	
Flashing Specs	\$	265	
Door Hardware	\$	265	
Notes- Review	\$	1,590	
Paint Colors	\$	140	
Hardi-Panel Notes	\$	530	
			\$ 3,630
Part Two 1st Review & Revisions			
MA Review	\$	1,060	
MA Pick Ups	\$	420	
			\$ 1,480

### Total Fee for Design & Deliverables \$ 5,110

Part Three Plan Check Submittal			
Submittal	\$	530	
Corrections	\$	530	
	Total Fee for Plar	1,060	

Cost for Design and Plan Check \$ 6,170

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Agenda Item # 13c Page 24 of 26

### **RESOLUTION 03-22-XX** Prohibition of Exterior Water Heater Relocations

**WHEREAS**, Standard 32 Water Heater Relocations were allowed by the board adoption of the original resolution dated August 1992, and lastly by revised March 2019, Resolution 03-19-34; and

WHEREAS, the board agrees that the use of common area for the relocation of manor water heater tanks and their respective enclosures does not enhance the building or mutual aesthetics of the community; and

**WHEREAS**, the board agrees to cancel or revoke both the original resolution dated August 1992, and the revised March 2019, Resolution 03-19-34; and

**WHEREAS**, the board agrees to prohibit all new exterior water heater (W.H.) approvals and further prohibits the approval of water heater relocations by variance; and

**WHEREAS,** the existing and prior MA approved exterior W.H. cabinets would be allowed to remain and continued to exist or "grandfathered". The existing cabinets and W.H. maintenance will continue as an obligation of the member as an Alteration limited by the following criteria:

- 1. In the event the W.H. cabinet and its landscaping are not properly maintained the member may lose all rights to its presence in common area as maybe enacted by the board.
- 2. If the existing cabinet needs to be re-constructed due to rot or removal for mutual maintenance activities, the cabinet shall be built back to the new Standard 32 revised containing pressure treated wood, stucco veneer, new roofing material. This new drawing has not yet been revised as the approval of a new resolution and design cost would be a prerequisite to the standard revision.
- 3. All landscaping may be installed per the original Standard 32. The member shall contact Landscaping Services to arrange for the installation of adequate landscaping material and any alteration of irrigation work.
- 4. MA shall prohibit the issuance of all future MC requests regarding W.H. relocations to the common area.
- 5. Once landscaping completes the sprinkler system conformity, landscaping shall notify Manor Alteration of such.

**WHEREAS,** the board agrees that the prohibition of future water heater enclosures will contribute to a more positive architectural image of the community; and

**NOW THEREFORE, BE IT RESOLVED**, on March 15, 2022 the Third Laguna Hills Board hereby approve the Prohibition of Exterior Water Heater Relocations Resolution as attached; and

**RESOLVED FURTHER,** that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

FEBRUARY Initial Notification—28-day notification for Member review and comments to comply with Civil Code §4360 has been satisfied

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Agenda Item # 13c Page 26 of 26



### **STAFF REPORT**

# DATE:March 15, 2022FOR:Resident Policy and Compliance CommitteeSUBJECT:Additional Occupancy Fee

### RECOMMENDATION

Staff recommends that the Board consider creating a \$50 monthly fee for additional occupants over two per household in order to mitigate expenses incurred by Third Laguna Hills Mutual (Third) for wear and tear of the common areas as well as increased utility expenses.

### BACKGROUND

At present, both GRF and United Laguna Woods Mutual (United) charge nominal fees for additional occupants. The pro forma operating budget considers that only two persons occupy a unit. Both GRF and United have historically sought fees to compensate the corporations when more than two persons occupy a unit. GRF charges \$100 per month for the third and/or fourth occupant; United charges \$50 per month for the third occupant. The number of occupants in both corporations is restricted to the number of original construction bedrooms plus one.

### DISCUSSION

Operating costs necessary to maintain the common areas and to pay for utilities, most particularly water, are increasing year over year. When a third person is a lessee, the fee for each month is collected in advance of the lease authorization term. When the third person is not a lessee, the additional occupant fee is billed on a monthly basis. Higher density living often involves competition for limited common area facilities such as parking and laundry.

Approximately 73 Third units reflect more than two non-lessee occupants as of this writing. As the cost of housing and rental rates continue to increase, the number of households doubling up is also likely to increase. Accordingly, it may be prudent for Third to now consider offsetting the Mutual expenses when more than two individuals reside in a dwelling unit. Third Mutual records reflect there are also 67 live-in care providers registered in Third Mutual. Of these, 26 live in care providers are third or fourth persons in residence. Care providers are not entitled to use GRF facilities except as incidental to the care of their patient and, therefore, they have not historically incurred a third person fee in any of the corporations. The additional income generated by the number of current live-in care providers who exceed two persons in a household (23 care providers @ \$50/month X 12 months) is \$15,600.

### FINANCIAL ANALYSIS

There are approximately 73 units in Third Mutual paying the GRF additional occupancy fee. Estimated revenue potential to Third would be based on the number of units with additional occupants exceeding two per household multiplied by the amount of the proposed additional occupancy fee. Assuming a third-party fee of \$50/month is established by Third Mutual, additional annual income totaling \$43,800 would be generated at today's third party (non-

Agenda Item # 13d Page 1 of 4 Third Laguna Hills Mutual Additional Occupancy Fee March 15, 2022 Page 2

leasing) occupancy records. If a third-party fee for third person co-occupants including live-in care providers at today's level, additional annual revenue of \$15,600 would be generated for a grand total of \$59,400 annually (\$43,800 + \$15,600 = \$59,400. Staff does not estimate any additional cost would be necessary to administer charges for the 23 caregivers or other occupants exceeding two persons per household.

- Prepared By: Pamela Bashline, Community Services Manager
- Reviewed By: Siobhan Foster, COO

ATTACHMENTS:

Attachment 1 – Resolution



### **RESOLUTION 03-22-XX** Additional Occupancy Fee

**WHEREAS,** Third Laguna Hills Mutual (Third) is authorized to manage, operate and maintain housing at Laguna Woods Village; and

**WHEREAS,** Third acknowledges its pro forma budget is based upon two occupants per household; and

**WHEREAS,** Third recognizes a select number of households are comprised of more than two occupants per household;

**NOW THEREFORE BE IT RESOLVED,** March 15, 2022 the Board of Directors establishes an occupancy fee to include live-in caregivers for each person above two of \$50.00/month effective May 1, 2022; and

**RESOLVED FURTHER,** that the officers and agents of the Corporation are hereby authorized on behalf of the Corporation to carry out this resolution.

FEBRUARY Initial Notification—28-day notification for Member review and comments to comply with Civil Code §4360 has been satisfied

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Agenda Item # 13d Page 4 of 4



### STAFF REPORT

DATE: March 15, 2022

FOR: Board of Directors

### SUBJECT: Approve 2022 Elections Schedule and Inspector of Election Services

### RECOMMENDATION

Approve the proposed 2022 election schedule, and appoint UniLect Corporation as the Inspector of Election for the annual election of directors.

### BACKGROUND

Civil Code §5110 requires an association to select an independent third party as an inspector of elections. The Inspector of Elections is used to perform several tasks during an election including, but not limited to: Print, collate, mail, receive, register, store, and safeguard all secret ballots ("Ballots") Ballots, and required inner ("Ballot Envelope") and outer envelope ("Mailing Envelope"); and election day services including ballot counting, tabulating, validating, and certification of election results..

UniLect was appointed as Inspector of Election for the 2019 annual election. UniLect has proven expertise with homeowner association elections and Davis-Stirling Act compliance. Based on the firm's satisfactory performance during the 2021 cycle, staff recommends that the board appoint UniLect Corporation to again serve as Inspector of Election in 2022.

### **DISCUSSION**

For transparency purposes and due to the number of ballots received it is necessary to contract for an Inspector of Election.

### FINANCIAL ANALYSIS

The proposal submitted by UniLect Corporation for the 2022 election of the directors is \$26,980.00, excluding postage. Funding for annual inspector of election services is included in the annual operating budget.

Prepared By: Catherine Laster, Services Manager

**Reviewed By:** Siobhan Foster, CEO



ATTACHMENT(S) ATT1: 2022 Election Schedule

ATT2: Resolution – Approve Inspector of Election Services



### **Election Schedule 2022**

Appoint Inspector of Elections	March 15, 2022
Approve Election Schedule	March 15, 2022
Initial Individual Notice (Civil Code Section 5103(b)(1) – To be distributed at least 90 days before June 24, 2022	Distribute before March 25, 2022
Reminder Individual Notice (Civil Code Section 5103(b)(2) – To be distributed 7 to 30 days before June 24, 2022	Distribute between May 25 – June 17, 2022
Mailing of Annual Election and Call for Candidates (postcard)	May 20, 2022
Nominations Open	May 25, 2022
Nominations Close (5 p.m.)	June 24, 2022
Candidate Statements Due to Inspector of Elections	June 24, 2022
Record Date for Mailing Lists	July 21, 2022
Deadline to Withdraw Candidacy	July 21, 2022
Deadline for Election by Acclamation	July 21, 2022
Copy of Mailing List to Inspector of Elections	July 21, 2022
Ballot Information to Inspector of Elections	July 21, 2022
General Notice of Candidate List/Information (Pre-Ballot Notice)	July 22, 2022
Meet the Candidates and Candidate Video Filming	August 19, 2022
Mail Ballot Package	August 22, 2022
Replay Meet the Candidates	ТВА
Notice Tabulation Meeting	September 19, 2022
<ul> <li>Ballots Due Back:</li> <li>11 a.m. Inspector's Post Office box</li> <li>5 p.m. Community Center Ballot Box</li> </ul>	September 22, 2022
Notice Annual/Organizational Meeting	September 23, 2022
Tabulation Meeting; Counting of Ballots by Inspector of Elections	September 23, 2022
Annual/Organizational Board Meeting Date	October 6, 2022, 9:30 a.m., Board Room

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Agenda Item # 14a Page 4 of 6



### Resolution 03-22-XX

### **Approve Inspector of Election Services**

**WHEREAS,** Civil Code §5110 requires an association to select an independent third party as an inspector of elections;

**WHEREAS**, for transparency purposes and due to the number of ballots received it is necessary to contract for an Inspector of Elections;

WHEREAS, an Inspector of Elections is used, among other tasks, to print and mail voter packages, inspect and tabulate ballots, and certify results; and,

**NOW THEREFORE BE IT RESOLVED**, March 15, 2022, that the Board of Directors of Third Laguna Hills Mutual hereby approves single-sourcing a contract to UniLect to perform Inspectors of Election services for the 2022 Annual Meeting of the Corporate Members; and

**RESOLVED FURTHER,** that the officers and agents of this Corporation are directed on behalf of the Corporation to carry out this resolution. THIS PAGE INTENTIONALLY LEFT BLANK

Agenda Item # 14a Page 6 of 6



### STAFF REPORT

DATE: March 15, 2022

FOR: Board of Directors

### SUBJECT: Approve Inspector of Election Services for Recall Vote and Provisional Board Election

### **RECOMMENDATION**

Approve appointing UniLect Corporation as the Inspector of Election for the recall vote and provisional board election.

### **BACKGROUND**

Civil Code §5110 requires an association to select an independent third party as an inspector of elections. The Inspector of Elections is used to perform several tasks during an election including, but not limited to: Print, collate, mail, receive, register, store, and safeguard all secret ballots ("Ballots") Ballots, and required inner ("Ballot Envelope") and outer envelope ("Mailing Envelope"); and election day services including ballot counting, tabulating, validating, and certification of election results.

UniLect was appointed as Inspector of Election for the 2019 annual election. UniLect has proven expertise with homeowner association elections and Davis-Stirling Act compliance. Based on the firm's satisfactory performance during the 2021 cycle, staff recommends that the board appoint UniLect Corporation to provide inspector of election services for recall vote and provisional board election to be held on June 3, 2022.

### **DISCUSSION**

For transparency purposes and due to the number of ballots received it is necessary to contract for an Inspector of Election.

### FINANCIAL ANALYSIS

The proposal submitted by UniLect Corporation to provide service for the recall vote is \$24,875, excluding postage. Funding for this service will be drawn from the operating budget.

Prepared By: Catherine Laster, Services Manager

**Reviewed By:** Siobhan Foster, CEO

### ATTACHMENT(S)

ATT1: Resolution – Approve Inspector of Election Services

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Agenda Item # 14b Page 2 of 4 ATT1: Resolution – Approve Inspector of Election Services



### **RESOLUTION 03-22-XX**

### Approve Inspector of Election Services for Recall Vote and Provisional Board Election

**WHEREAS,** Civil Code §5110 requires an association to select an independent third party as an inspector of elections;

**WHEREAS,** in accordance with Civil Code §5110, §5115, §5120, and §5125, the inspector of elections performs several tasks during an election, including but not limited to print and mail voter packages, inspect and tabulate ballots, and certify results;

**NOW THEREFORE BE IT RESOLVED**, on March 15, 2022, that the Board of Directors of Third Laguna Hills Mutual hereby approves single-sourcing a contract to UniLect to perform inspectors of election services for a June 3, 2022, vote to recall Robert Mutchnick and Lynn Jarrett and elect two provisional Board Members if the recall is approved; and

**RESOLVED FURTHER;** that the officers and agents of this Corporation are directed on behalf of the Corporation to carry out this resolution.

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Agenda Item # 14b Page 4 of 4



### Chair's Report for March 15, 2022 Board Meeting

**SLIDE 1** – Through the reporting period of **January 31**, **2022**, total revenue for Third was \$3,590K compared to expenses of \$2,532K, resulting in a net revenue of \$1,058K.

**SLIDE 2** – In Finance, we keep a close eye on the operating portion of our financial results. The Operating Fund shows an operating surplus of \$707K through the reporting period. This chart shows how much of our revenue went into operations, with \$2,384K coming in from assessments and \$136K coming from non-assessment revenue. This is compared to operating expenditures of \$1,813K (without Depreciation).

**SLIDE 3** – This next chart takes the full income statement and compares those results to budget. We can see that Third ended the period better than budget by \$635K when combining both operating and reserve revenues and expenses.

**SLIDE 4** – The most significant variances from budget were attributable to:

- **Outside Services \$256K**; Favorable variance resulted from timing of invoice processing for Moisture Intrusion. Additionally, roof repairs are anticipated to begin in April yet budgeted evenly throughout the year.
- **Employee Compensation & Related \$177K**; Favorable variance resulted primarily due to outsourcing of 12 Maintenance & Construction staff and open positions in Landscape.
- **Insurance \$125K**; Favorable variance due to property insurance coming in lower than anticipated. The property insurance policy is scheduled to renew in June and the full year insurance expense is anticipated to be in line with budget by year end.
- Utilities \$62K; Favorable variance due to water coming in lower than budget. Budget was based on a five-year average of water consumption, which was estimated at 33K cubic feet. Throughout the year, consumption was 21K cubic feet, or 37% under the budgeted usage.
- **Materials and Supplies \$27K**; Favorable variance resulted in several areas of operations such as carpentry and paint due to timing of expenditures. Although budgeted throughout the year, expenditures will occur later.
- **Professional Fees (\$11K)**; Unfavorable variance due timing. Consulting began earlier than anticipated, with Groundwater investigation at Gate 11.



### Chair's Report for March 15, 2022 Board Meeting

- **Investment (\$17K)**; Unfavorable variance due to lower interest rate than expected. Third purchased treasury bils in March with a return of 90 basis points. The increased returnd is expected to minimize variance by year end.
- **Resident Maintenance Fee (\$20K**); Unfavorable variance due to backlog of moisture intrusion determination hearings which, when they occur, will result in increased revenue. The open position to conduct hearings was filled in March.

**SLIDE 5** – On this pie chart, we show non-assessment revenues received to date of \$139K by category, starting with our largest revenue generating category, Resident Maintenance Fees, Laundry Revenue, Lease Processing Fee, Resale Processing Fee, Permit Fee, and so on.

**SLIDE 6** – On this pie chart, we see the expenses to date of \$2,532K, showing that our largest categories of Employee Compensation and Related, Insurance, Utilities, Outside Services, and so on.

**SLIDE 7** – The non-operating fund balance on January 31, 2022 was \$29,019K. YTD contributions and interest were \$1,069K while YTD expenditures were \$707K.

**SLIDE 8** – We compare the non-operating fund balances to historical fund balances for the past five years on this chart, which has averaged \$29 Million.Third Laguna Hills Mutual has been committed to supporting reserve requirements while providing more contingency funds for unexpected events.

**SLIDE 9** – We have a slide here to show resale history from 2020 - 2022. Through January 31, 2022, Third sales totaled 50, which is 9 higher than prior year for the same time period. The average YTD resale price for a Third Mutual was \$450K, which is \$49K higher than prior year for the same time period.

### Financial Report As of January 31, 2022

INCOME STATEMENT (in Thousands)	ACTUAL
Assessment Revenue	\$3,451
Non-assessment Revenue	\$139
Total Revenue	\$3,590
Total Expense	\$2,532
Net Revenue/(Expense)	\$1,058

### Financial Report As of January 31, 2022



ACTUAL	\$2,384	\$136	\$2,520	\$1,813	\$707
<b>OPERATING INCOME STATEMENT</b> (in Thousands)	Assessment Revenue	Non-assessment Revenue	Total Revenue	Total Expense <sup>1</sup>	Operating Surplus

1) excludes depreciation

### Financial Report As of January 31, 2022



INCOME STATEMENT (in Thousands)	ACTUAL	BUDGET	VARIANCE B/(W)
Assessment Revenue	\$3,451	\$3,451	ŞO
Non-assessment Revenue	\$139	\$174	(\$35)
Total Revenue	\$3,590	\$3,625	(\$35)
Total Expense	\$2,532	\$3,202	\$670
Net Revenue/(Expense)	\$1,058	\$423	\$635



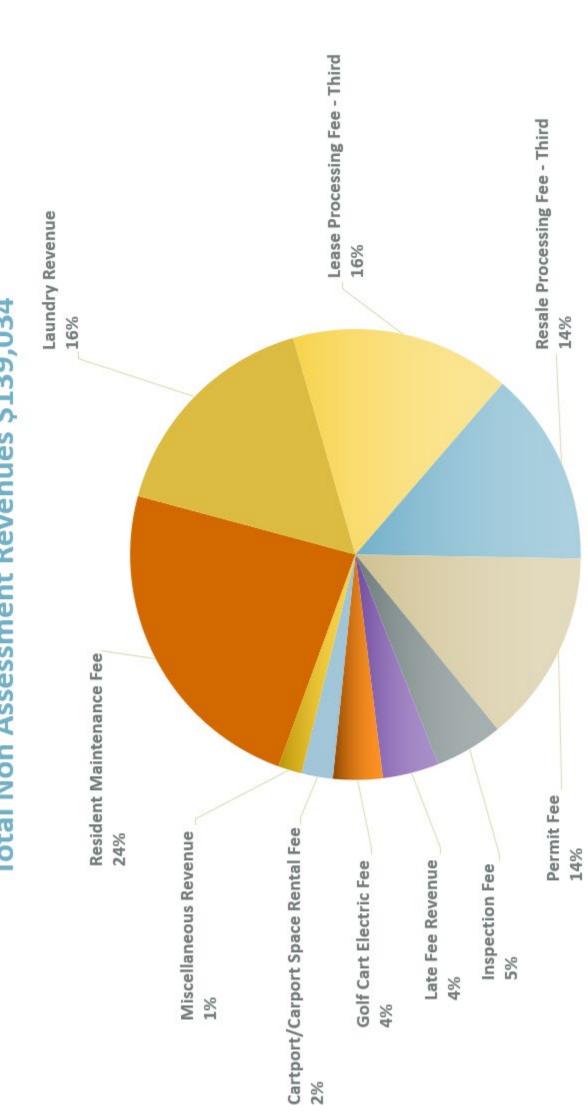


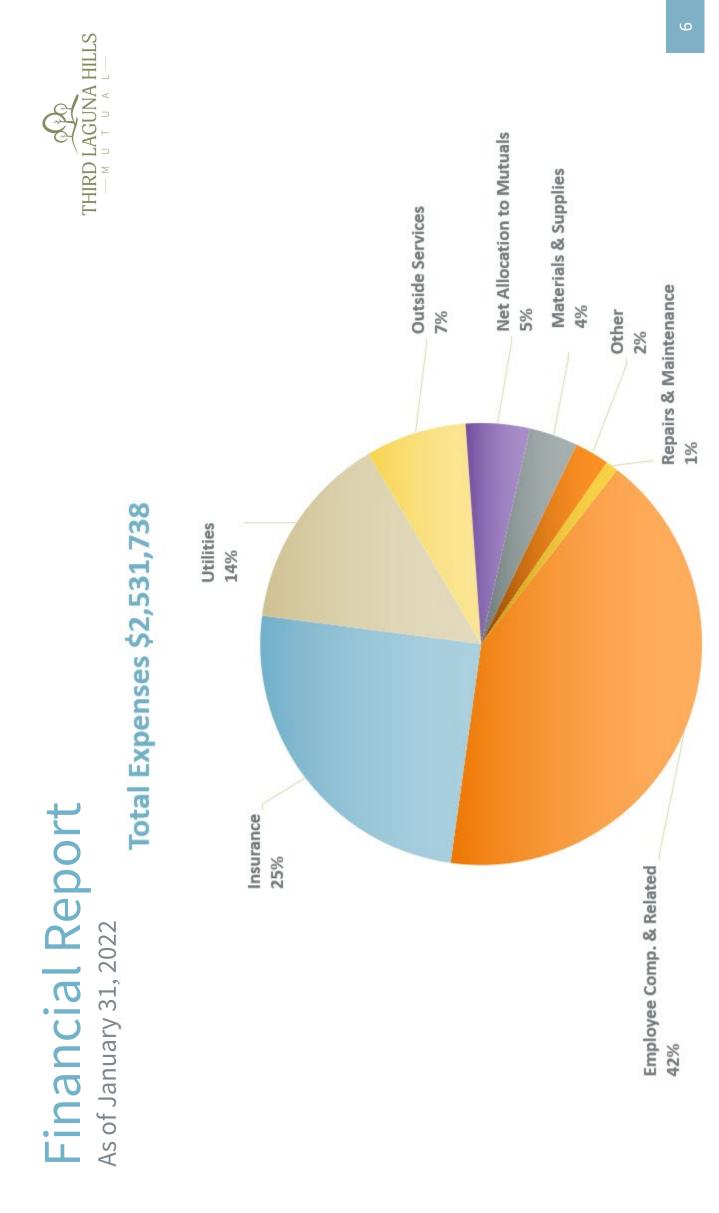
с) теки	VOCZĆ	\$177K	\$125K	\$62K	\$27K				ble 📕 Favorable
	0	ted	JCe	ies	lies	ees <b>(\$11K)</b>	Investment <b>(\$17K)</b>	<sup>-</sup> ee <b>(\$20K)</b>	Unfavorable
Outside Services		Employee Compensation and Related	Insurance	Utilities	Materials & Supplies	Professional Fees	Investme	Residental Maintenance Fee <b>(\$20K)</b>	





# As of January 31, 2022 Total Non Assessment Revenues \$139,034





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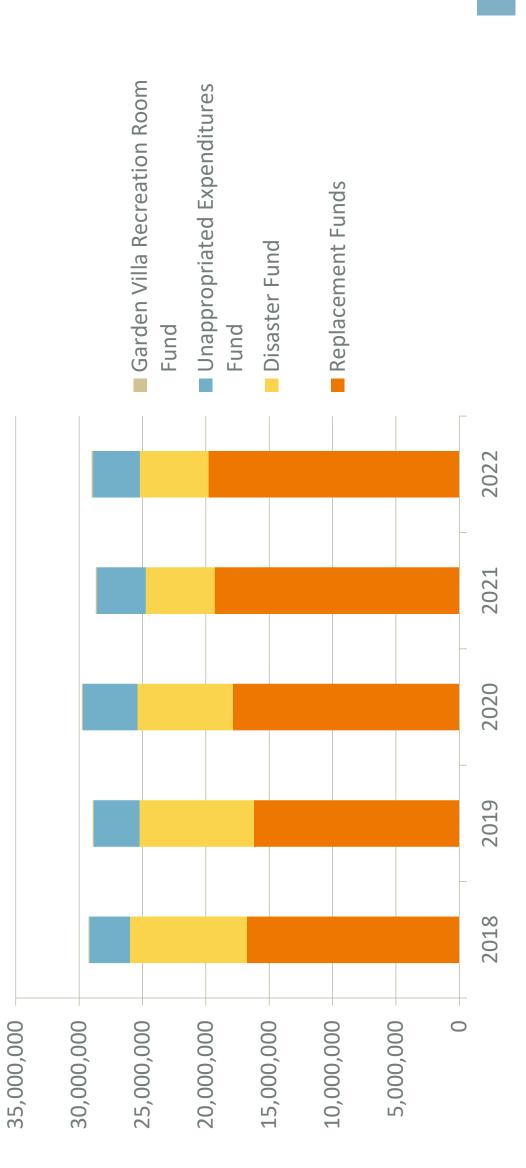
TOTAL	
Unappropriated Expenditures Fund	
Disaster Fund	
Garden Villa Fund	
Replacement Funds*	
NON OPERATING FUND BALANCES (in Thousands)	

Beginning Balances: 1/1/22	\$19,264	\$104	\$5,442	\$3,847	\$28 <b>,</b> 657
Contributions & Interest	930	7	132	0	1,069
Expenditures	410		151	145	707
Current Balances: 1/31/22	\$19,784	\$110	\$5423	\$3,702	\$29,019



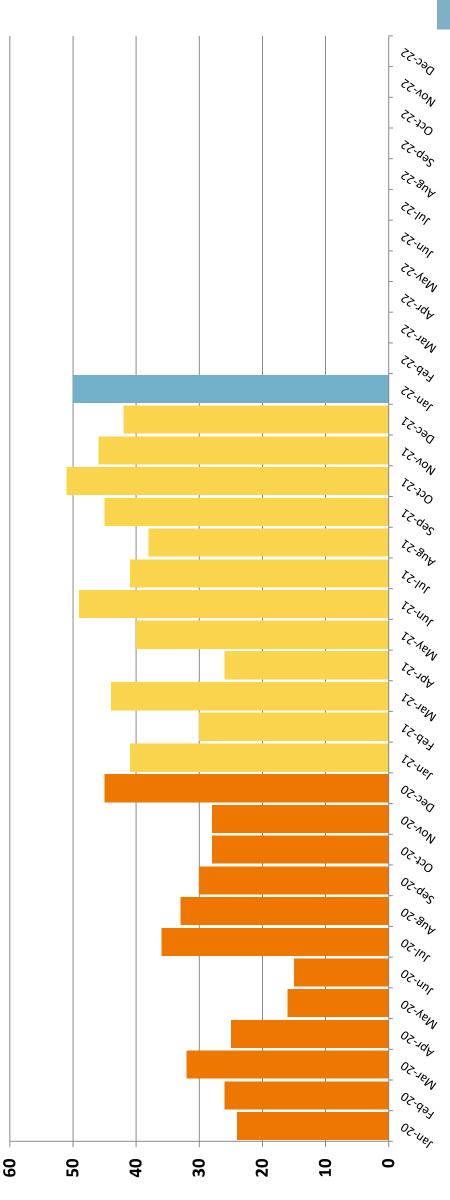


## **FUND BALANCES – Third Mutual**





THIRD LAGUNA HILLS								
AVG. RESALE PRICE	\$417,292	\$400,823	\$450,228					
NO. OF RESALES	24	41	50					
	YTD 2020	YTD 2021	YTD 2022					



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### FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, March 1, 2022 – 1:30 p.m. Virtual Meeting

DIRECTORS PRESENT:	Donna Rane-Szostak – Chair, Robert Mutchnick, Ralph Engdahl, Jim Cook, John Frankel, Annie McCary, Lynn Jarrett, Mark Laws, Craig Wayne, Ira Lewis
DIRECTORS ABSENT:	Cush Bhada (excused)
ADVISORS PRESENT:	Wei-Ming Tao, John Hess
STAFF PRESENT:	Steve Hormuth, Jose Campos, Erika Hernandez

### Call to Order

Director Donna Rane-Szostak chaired and called the meeting to order at 1:31pm.

### Acknowledgement of Media

The meeting was streamed through Granicus and made available via Zoom for members of the community to participate virtually.

### **Approval of Meeting Agenda**

A motion was made and carried unanimously to approve the agenda, as presented.

### Approval of Meeting Report for February 1, 2022

A motion was made and carried with 11 in favor and one abstention to approve the committee report as presented.

### **Chair Remarks**

Director Rane-Szostak provided an info graphic displaying how Third Mutual HOA monthly assessment fees are allocated.

### Member Comments (Items Not on the Agenda) None.

### **Department Head Update**

Steve Hormuth, Director of Financial Services, provided a brief summary of the 2021 Financial Audit progress and the upcoming Crime Policy Insurance renewal scheduled for March 25, 2022.

### Preliminary Financial Statements dated January 31, 2022

Jose Campos, Assistant Director of Financial Services, presented the Preliminary Financial Statements dated January 31, 2022 and questions were addressed from the committee.

Agenda Item # 15a(2) Page 1 of 10 Report of Third Finance Committee Open Meeting March 1, 2022 Page 2 of 2

### Highlights

Director Rane-Szostak gave a brief presentation on the Davis-Stirling Civil Code §5380 regarding HOA Reserves Fund management and current Third Mutual Investment strategy.

### **Financial Statement and Budget Training**

Steve Hormuth and Jose Campos presented an instructional tutorial on how to interpret the monthly financial statements and annual budget. Questions were addressed.

Future Agenda Items None.

Committee Member Comments None.

### Date of Next Meeting

Tuesday, April 5, 2022 at 1:30 p.m.

### **Recess to Closed Session**

The meeting recessed at 2:59 p.m.

### Donna Rane-Szostak

Donna Rane-Szostak (Mar 8, 2022 14:55

PST\_

Donna Rane-Szostak, Chair



# HOA Reserve Funds

February 2022

Agenda Item # 1<mark>5a</mark>(2) Page 3 of 10





Must be deposited in accounts that

- Protect the principal and
- guaranty corporation (i.e., a credit union) Are covered by insurance provided by an agency of the federal government or a





THIRD LAGUNA HILLS

- Safety: Preservation against loss
- Liquidity: Ability to quickly convert to cash
- Yield: Return on investment\*

\*"Boards should seek a reasonable return on the association's reserve accounts but should never adopt a strategy that emphasizes return over preservation of capital ...



THIRD LAGUNA HILLS

Problem: Due to \$250,000 federal insurance limit per account holder How to fulfill Davis-Stirling requirements without purchasing CDs from at least 100 different institutions?





- Network of banks working together to help high-balance savers insure all deposits protected
- Spreads funds across multiple CD accounts at different banks while managing them under a single umbrella

## Interest Third Mutual Earning on Intrafi Funds at SunWest Bank



## Initial investment:

- Liquid funds (\$20 million) = 14 basis points
- One-year CD (\$ 5 million) = 15 basis points
  - Yes interest lower than some banks
- Typically only insure to \$250,000 per account holder
  - Frequently see enticing "introductory rates" for initial opening only
- No fees for managing these funds

Above rate approx. twice national average for such funds

Liquidity permits adjustments to changing interest environment

# 2022 Interest Rates Moving Up



- March T-Bill rate: 80 100 basis points
- Board approved moving Reserve Funds into T-Bills Purchase \$25.2 million in T-bills
  - 12 mo term @ <u>90 basis points</u>
- ability to 'peel off' moneys from larger sum at any time
- Maintains viable option to take advantage of anticipated interest rates

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### Monthly Resale Report

### PREPARED BY

### MUTUAL

### REPORT PERIOD

### **Community Services Department**

### All Mutuals

### February, 2022

	NO. OF RESALES		TOTAL SALES	TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
MONTH	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR L	AST YEAR	
January	97	77	\$35,050,394	\$25,440,878	\$365,108	\$330,401	
February	68	58	\$24,969,401	\$18,806,125	\$367,197	\$324,244	
March		* 75		* \$28,284,525	k	* \$377,127	
April		* 63		* \$22,499,399	k	* \$357,133	
May		* 85		* \$29,079,200	k	* \$342,108	
June		* 100		* \$40,080,488	k	\$400,805	
July		* 107		* \$35,145,888	k	\$328,466	
August		* 96		* \$33,947,600	k	\$353,621	
September		* 102		* \$36,154,540	k	\$354,456	
October		* 97		* \$35,344,800	k	* \$364,379	
November		* 100		* \$38,193,500	k	* \$381,935	
December		* 93		* \$34,632,450	k	* \$372,392	
TOTAL	165.00	135.00	\$60,019,795	\$44,247,003			
ALL TOTAL	165.00	1053.00	\$60,019,795	\$377,609,393			
MON AVG	82.00	67.00	\$30,009,898	\$22,123,502	\$366,153	\$327,322	

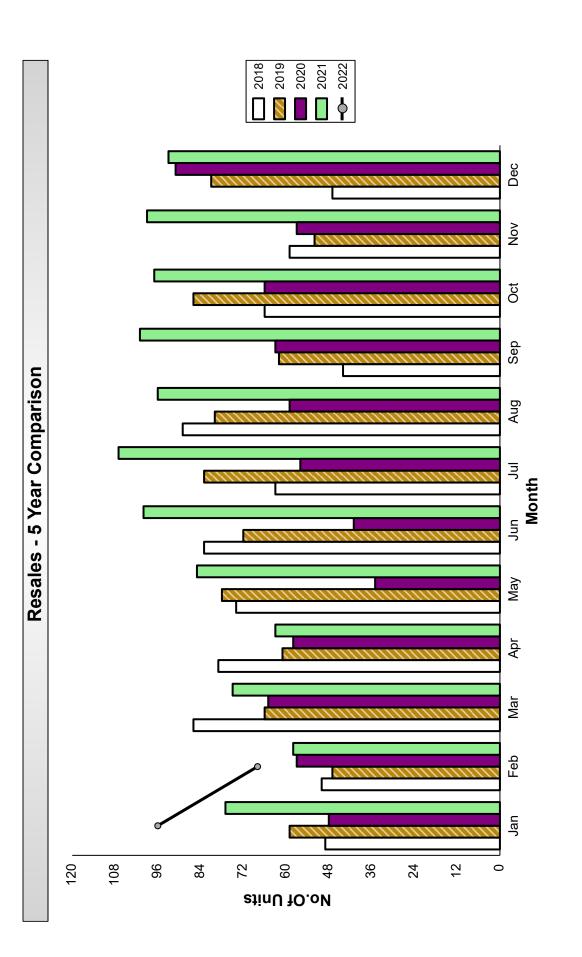
\* Amount is excluded from percent calculation

% Change calculated (ThisYear - LastYear)/LastYear

Year to-date totals now include Mutual Fifty

Page 1 of 1





Resales 5-Yr Comparison - All Mutuals

Page 1

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### Monthly Resale Report

### PREPARED BY

MUTUAL

### REPORT PERIOD

### **Community Services Department**

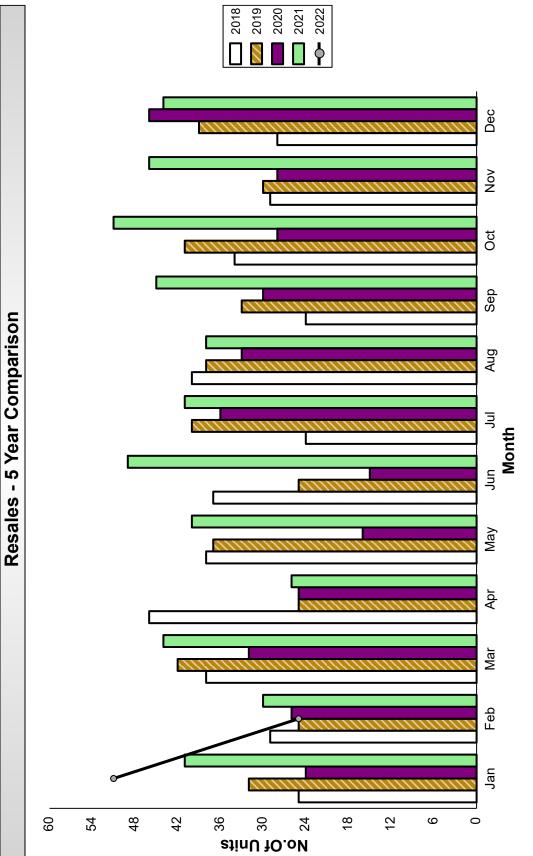
Third

### February, 2022

	NO. OF F	RESALES	TOTAL SALES	VOLUME IN \$\$	AVG RESA	LE PRICE
MONTH	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	51	41	\$22,789,400	\$16,433,725	\$446,851	\$400,823
February	25	30	\$12,688,000	\$11,904,525	\$507,520	\$396,818
March		* 44		* \$20,903,100		* \$475,070
April		* 26		* \$12,851,400		* \$494,285
May		* 40		* \$18,741,800		* \$468,545
June		* 49		* \$25,804,388		* \$526,620
July		* 41		* \$17,901,388		* \$436,619
August		* 38		* \$18,292,000		* \$481,368
September		* 45		* \$20,638,940		* \$458,643
October		* 51		* \$22,829,400		* \$447,635
November		* 46		* \$23,744,300		* \$516,180
December		* 44		* \$20,172,500		* \$458,466
TOTAL	76.00	71.00	\$35,477,400	\$28,338,250		
ALL TOTAL	76.00	495.00	\$35,477,400	\$230,217,466		
MON AVG	38.00	35.00	\$17,738,700	\$14,169,125	\$477,185	\$398,820
% CHANGE - YTD	7.0%		25.2%		19.6%	

% Change calculated (ThisYear - LastYear)/LastYear

\* Amount is excluded from percent calculation



THIRD MUTUAL

Resales 5-Yr Comparison - Third Laguna Hills Mutual

03/02/2022 05:15

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Monthly Resale Report Third Mutual

Feb-22

PREPARED BY Community Services Department

	2	<b>JUMBER O</b>	NUMBER OF RESALES			TOTAL SALES V(	ES VOLUME IN \$\$			AVG RESALE PRICE	E PRICE	
Month	2022	2021	2020	2019	2022	2021	2020	2019	2021	2021	2020	2019
January	51	41	24	32	\$22,789,400	\$16,433,725	\$10,015,000	\$12,482,100	\$446,851	\$400,823	\$417,292	\$390,066
February	25	30	26	25	\$12,688,000	\$11,904,525	\$12,158,700	\$10,208,000	\$507,520	\$396,818	\$467,642	\$408,320
March		44	32	42		\$20,903,100	\$13,946,416	\$16,639,712		\$475,070	\$435,826	\$396,184
April		26	25	25		\$12,851,400	\$10,830,833	\$10,435,500		\$494,285	\$433,233	\$417,420
Мау		40	16	37		\$18,741,800	\$5,604,000	\$16,273,033		\$468,545	\$350,250	\$439,812
June		49	15	25		\$25,804,388	\$5,881,500	\$10,290,000		\$526,620	\$392,100	\$411,600
July		41	36	40		\$17,901,388	\$15,240,248	\$17,327,373		\$436,619	\$423,340	\$433,184
August		38	33	38		\$18,292,000	\$14,612,928	\$15,994,900		\$481,368	\$442,816	\$420,918
September		45	30	33		\$20,638,940	\$14,314,100	\$12,643,180		\$458,643	\$477,137	\$383,127
October		51	28	41		\$22,829,400	\$10,707,400	\$16,142,900		\$447,635	\$382,407	\$393,729
November		46	28	30		\$23,744,300	\$11,057,300	\$13,520,950		\$516,180	\$394,904	\$450,698
December		44	46	39		\$20,172,500	\$18,548,901	\$18,319,800		\$458,466	\$403,237	\$469,738
TOTAL	76	71	50	57	\$35,477,400	\$28,338,250	\$22,173,700	\$22,690,100				
ALL TOTAL	76	495	339	407	\$35,477,400	\$230,217,466	\$142,917,326	\$170,277,448				
MON AVG	38.0	35.5	25.0	28.5	\$17,738,700	\$14,169,125	\$11,086,850	\$11,345,050	\$477,186	\$398,821	\$442,467	\$399,193
% CHANGE-YTD	7.0%	42.0%	-12.3%	-13.6%	25.2%	27.8%	-2.3%	-7.0%	19.6%	%6.6-	10.8%	8.6%

% Change calculated (This Year - Last Year)/Last Year Percent calculation only includes YTD figures in black.

Resales Report Third Laguna Hills Mutua February, 2022
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Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
02/24/2022	964-D	e	\$380,000	Monterey	Realty Source, Inc.	HomeSmart Evergreen	Blue Pacific Escrow
02/02/2022	2272-D	e	\$490,000	Valencia	Shoreline Properties	Redfin	Corner Escrow Inc.
02/09/2022	2300-N	ო	\$245,000	Casa Contenta	Laguna Premier Realty, Inc	HomeSmart Evergreen	Granite Escrow
02/14/2022	2340-O	e	\$555,000	Casa Linda	Century 21 Astro	Century 21 Rainbow	Corner Escrow Inc.
02/25/2022	2341-A	с С	\$275,000	San Sebastian	South West Realty	First Team Real Estate	Corner Escrow Inc.
02/15/2022	2372-D	e	\$565,000	Valencia	Century 21 Astro	Century 21 Astro	Corner Escrow Inc.
02/04/2022	2385-3C	ę	\$290,000	Garden Villa	Century 21 Rainbow	Century 21 Rainbow	Corner Escrow Inc.
02/11/2022	2403-1B	e	\$345,000	Villa Capri	Laguna Premier Realty, Inc	Balboa Real Estate	Blue Pacific Escrow
02/08/2022	3088-B	e	\$425,000	Hermosa	Pacific Sotheby's International	Coldwell Banker Best Realty	Corner Escrow Inc.
02/09/2022	3110-C	e	\$408,000	La Brisa	Laguna Premier Realty, Inc	Coldwell Banker	Blue Pacific Escrow
02/14/2022	3149-C	e	\$700,000	La Reina	Katnik Brothers R.E.Services Corp.	Uniti Realty	Corner Escrow Inc.
02/24/2022	3176-D	e	\$900,000	La Reina	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Blue Pacific Escrow
02/17/2022	3179-A	e	\$375,000	La Princesa	FSBO	FSBO	Corner Escrow Inc.
02/16/2022	3214-C	e	\$695,000	La Reina	Laguna Premier Realty, Inc	Century 21 Rainbow	Blue Pacific Escrow
02/18/2022	3365-2F	e	\$195,000	Sierra	Laguna Premier Realty, Inc	Mark Carlson, Broker	Corner Escrow Inc.
02/01/2022	3368-O	e	\$550,000	Catalina	Robert Ganem, Broker	Century 21 Rainbow	Escrow Leaders
02/24/2022	3421-1D	e	\$410,000	Casa Dorado	HomeSmart Evergreen	HomeSmart Evergreen	Escrow Options Group
02/08/2022	3507-A	e	\$800,000	Casa Rosa	Century 21 Rainbow	Presidential Real Estate	Corner Escrow Inc.
02/15/2022	3510-3B	e	\$340,000	Villa Nueva	Laguna Premier Realty, Inc	Keller Williams Realty Irvine	Blue Pacific Escrow
02/16/2022	4001-2C	e	\$305,000	Villa Nueva	Jack Wallace	Surterre Properties, Inc.	The Escrow Firm
02/24/2022	4003-3B	e	\$410,000	Villa Nueva	Alta Realty Group CA Inc	Realty Benefit	Granite Escrow
02/25/2022	5345-A	e	\$650,000	El Doble	Compass	eXp Realty of California	Granite Escrow
02/15/2022	5364-Q	n	\$380,000 La Brisa	La Brisa	Century 21 Rainbow	Century 21 Rainbow	Granite Escrow

Prepared by Community Services Department as of: 03/02/2022

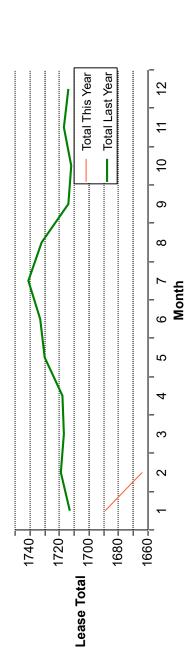
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Close	Close Manor Mutual	Mutua	I Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
02/25/2022 5526-C 3	5526-C	e	<b>,</b>	\$600,000 El Prado	Robert Schaefer	Robert Schaefer	Generations Escrow
02/22/2022	5556-A	3	\$1,400,000	5556-A 3 \$1,400,000 Casa Palma Century 21	Century 21 Rainbow	Laguna Premier Realty, Inc	Corner Escrow Inc.
Number of Resales:	Resales:			25			

\$12,688,000	\$507,520	\$410,000
Total Resale Price:	Average Resale Price:	Median Resale Price:

Monthly Active Leasing Report 2022 Period 2 (Mutual 3)



Year	Month	1 to 3 Month	4 to 6 Month	Month	Month	Year	Year Year	% Leased	% Leased % Last Year Change	Change	l otal Renewals	% Leased % 10tal 10tal % Leased Last Year Change Renewals Expirations
2022	January	18	22	375	1,274	1,689	1,713	27.7	28.1	-0.4	125	52
2022	February	17	21	384	1,242	1,664	1,719	27.3	28.2	6.0-	123	20
2022	March						1,717					
2022	April						1,718					
2022	May						1,730					
2022	June						1,733					
2022	July						1,741					
2022	August						1,732					
2022	September						1,714					
2022	October						1,712					
2022	November						1,717					
2022	December						1,714					

Monthly Active Leasing Report

Page 1

Printed : 03/01/2022 10:57:32

## Parking and Golf Cart Subcommittee Chair: Cush Bhada, Third Director



- Last meeting: Wednesday, January 19
- Key discussion topics
- Costs to upgrade electricity in cul-de-sacs to support more electric vehicles and golf carts
- Costs to remove plantings between carport and pave over for additional golf cart parking
- With and without additional electricity
- Next meeting: Wednesday, March 23

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### **OPEN MEETING**

### REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL LANDSCAPE COMMITTEE

### Thursday, March 3, 2022 – 1:30 P.M. BOARD ROOM/VIRTUAL MEETING Laguna Woods Village Community Center 24351 El Toro Road

### **REPORT**

**COMMITTEE MEMBERS PRESENT:** Chair- Lynn Jarrett, Annie McCary, Ralph Engdahl, Donna Rane-Szostak

COMMITTEE MEMBERS ABSENT Nathanial Ira Lewis

**OTHERS PRESENT:** 

### ADVISORS PRESENT:

STAFF PRESENT: Kurt Wiemann, Eve Morton

1. Call to Order

Chair Jarrett called the meeting to order at 9:30 a.m.

### 2. Acknowledgement of Media

No media was present.

### 3. Approval of the Agenda

The agenda was approved by consensus.

### 4. Approval of the February 3, 2022 Report

The report was approved by consensus.

### 5. Committee Chair Remarks

Chair Jarrett stated that with the drought tolerant landscaping requests will be reviewed on a case-by-case basis.

She has noticed that behind some of the three-story buildings in Gate 14, some people have made themselves gardens with brick walls around them. This is using common area which is not allowed. Additionally, hoses are used to water these gardens which heightens potable water use.

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The new process for Members to request installing stepping stones is now on the website under the Landscape Activities page.

### 6. Department Head Update

The stepping stone policy is on the website and does require filling out a Landscape Request Form and then returning that to Resident Services.

If residents would like to request to change plants around their home to drought tolerant plants, please fill out a Landscape Request Form, along with a drawn plan of what you would like to do, and a list of plants you would like to use.

### 6a. Project Log

Mr. Wiemann reviewed the Project Log information with the committee and answered some questions.

### 6b. Tree Work Status Report

Mr. Wiemann reviewed this report with the committee.

### 6c. Water Heater Cabinet Landscaping Update

In February meeting, a resident stated that water heaters were not hidden with landscaping and policies state that landscaping should be used to improve the aesthetics caused by the alterations. Mr. Wiemann has directed staff to address the issue when they are on their regularly scheduled maintenance cycles.

### 7. Member Comments (Items Not on the Agenda)

A Member felt her neighbor was doing more with her landscape alteration than what was approved. Mr. Wiemann will have staff follow up and contact the resident if necessary.

### 8. Response to Member Comments

See above.

Consent: None Items for Discussion and Consideration

### 9. Tree Removal Request: 3320-B Bahia Blanca W. - One Indian Laurel Fig Tree

Director McCary made a motion to accept staff recommendation and deny this request. Director Rane-Szostak seconded. The committee was in unanimous support.

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### 10.Tree Removal Request: 3515-B Bahia Blanca W. – One Weeping Bottlebrush Tree

The resident making this request was present at the meeting. Discussion ensued.

Director McCary made motion to table this matter and to ask Mr. Wiemann's staff to re-inspect this tree. Director Rane-Szostak seconded. The committee was in unanimous support.

### Future Agenda Items

Concluding Business:

### **11. Committee Member Comments**

Chair Jarrett asked Mr. Wiemann when tree crown reduction is performed. He said it is performed when staff sees a tree is beyond its capacity and has the potential to begin self-shedding. Crown reduction is very expensive.

Director McCary is pleased with quick action taken on starting work to hide unsightly water heaters.

Director Rane-Szostak is pleased that our Members are more involved and sending in questions.

Director Rane-Szostak asked about the contract process. Mr. Wiemann stated that all contracts are put out to bid. Maintenance contracts must be re-bid at least every three years. An annual contract may be renewed twice if the contractor is performing well and agrees to the same pricing.

Director Rane-Szostak asked where people can view the meeting videos. They are on the Village website under archived meeting videos.

Chair Jarrett stated that it was a good meeting and thanked Mr. Wiemann and Ms. Morton for their work.

Mr. Wiemann said he is getting compliments on the Landscape staff and he is glad to see it. Changes are working.

12. Date of Next Meeting – Thursday, April 7, 2022 at 9:30 a.m.

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13. Adjournment at 2:16 p.m.

Lynn Jarrett (Mar 7, 2022 13:58 PST)

Lynn Jarrett, Chair Kurt Wiemann, Staff Officer Eve Morton, Landscape Coordinator – 268-2565



### **OPEN MEETING**

### REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL WATER CONSERVATION COMMITTEE

### Thursday, February 24, 2022 – 2:00 p.m. BOARD ROOM AND VIRTUAL MEETING Laguna Woods Village Community Center 24351 El Toro Road

### **REPORT**

**COMMITTEE MEMBERS PRESENT:** Chair- Donna Rane-Szostak, Lynn Jarrett, John Frankel, Cush Bhada, Nathaniel Lewis

COMMTTEE MEMBERS ABSENT:

**OTHERS PRESENT:** None

### ADVISORS PRESENT:

STAFF PRESENT: Kurt Wiemann, Eve Morton

1. Call to Order

Chair Rane-Szostak called the meeting to order at 2:00 p.m.

### 2. Acknowledgement of Media

No media was present.

### 3. Approval of the Agenda

Chair Rane-Szostak requested to amend the agenda by noting that the Irrigation Master Control Update would be provided by the Director of Landscape Services, Kurt Wiemann. Director Jarratt made the motion to amend the agenda. The committee was in unanimous support

### 4. Approval of the Meeting Report from November 9, 2021

Chair Rane-Szostak asked for a motion to approve the Report with one small change. Director Jarrett made the motion for a small change to the Minutes and then to approve them. The committee was in unanimous support.

### 5. Committee Chair Remarks

Chair Rane-Szostak wanted to remind everyone with what this committee is tasked to do; to collaborate with VMS, to inform Members of water cost and usage, to put programs into place to help conserve water, to recommend best practices, and to maintain relationships with El Toro Water District (ETWD), Municipal Water District, and the Fire Authority.

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Last year, there was a panel regarding water conservation. Residents may view it on the Village YouTube account.

There are three directors on ETWD who live in Laguna Woods. Including the current President, Vice President, and past President

A resident, who is on the ETWD Board, informed the committee that ETWD is going to go through tremendous capital expenditures; a reservoir in Lake Forest must have a liner and cover replaced, a pump station must be replaced in another location, there are sewer costs, etc.

ETWD is working on 10 different projects over the next few years. They need to upgrade equipment.

The Chair of the State Water Board spoke at the recent ETWD Board meeting and said conservation and storage of water are main concerns now.

ETWD was on TV6 to talk about emergencies and earthquakes.

Storage for rain water is very expensive. We have to weigh costs of that versus the rate we buy water for.

Chair Rane-Szostak said 100% of our drinking water comes from somewhere else.

There are no aquifers to access in south Orange County.

Chair Rane-Szostak introduced the first resident advisor to the committee, Lee Goldstein.

Dennis Caffery, General Manager of ETWD, will be at the March Third Board meeting

Salt needs to be removed from any water from the Colorado River.

Much information given at the CAG meetings at ETWD building. Much information there. Information on their website.

### 5a. Irrigation Master Control Update from Kurt Wiemann

"We irrigate over 650 acres, not including the golf course.

The master control system we do have is twenty years old and there are no more updates offered for it. This brings a host of issues.

Some of system is controlled by old phone lines and 450-Megahertz radio which are obsolete now. No remote control is available with the current system. We need to have people on-site at one computer to take care of things.

The new system will allow system to be accessed remotely. Will also save us water through efficiencies. The new system is 2.2. million dollars. This system may save up to 21 percent in water annually which could potentially be +/- \$500K in water savings annually. Staff is still working on the water savings calculations.

The existing weather station is in a micro-climate. Currently, water needed is determined by evapotranspiration (ET) systems which tell us how much water Agenda Item # 15f Page 2 of 4

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is evaporating out of the ground. New system will give us access to all the ET stations in the area, of which there are many. We can use this data to better fine-tune system. We can turn off water much closer to when work is being done such as landscaping or painting.

We are looking at the potential of new flow meters/master valves for Third Mutual. These would enable the computer to sense an increase in water usage and turn it off until a technician can diagnose the cause.

We have 500K sprinkler heads in the community.

I am putting costs together for Third to purchase these flow meters and valves and will be bringing it to the Landscape Committee in the near future. GRF is responsible for the master control system/controllers and Mutuals pay for everything else downstream i.e.: valves, backflows, etc.

There are rebates available for the updated master control system.

Low flow sprinkler heads are \$10 each and regular ones are only 10 cents each. We are switching all over but it is expensive and takes time.

Our nursery is phasing over to drought tolerant plants."

### Consent: None

Reports:

### 6. Analysis of the Irrigation Meters

Mr. Wiemann stated that staff keeps an eye on any meters that go into Tier 4 territory.

### 7. Third Mutual Water Usage

Chair Rane-Szostak reviewed the three water charts in the committee packet. She said Village water use, over the last four years, keeps going down from year before which is wonderful.

Leaks, showering times, and watering plants with the hose all add to high water use.

### Items for Discussion and Consideration:

8. Village Television and El Toro Water District

See above.

9. Update on Additional Ways to Educate Village Residents Regarding Water Usage

TV6 spots

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Articles in the Breeze

Advisor Goldstein is chair of Earth Day and he said booths are available for April 21.

### Items for Future Agendas:

### 10. Identify Items for Future Agendas

### **Concluding Business**

### 11. Member Comments (Items Not on the Agenda)

A Member suggested that through turf reduction and turf conversion the Village can bring down water use.

### 12. Response to Member Comments

Above.

### **13. Committee Member Comments**

Advisor Goldstein offered the theme for Earth Day, "There is a way." We have a lot of interested people in making this work.

### 14. Date of Next Meeting is Thursday, April 28, 2022

**15.** Adjournment at 3:16 p.m.

Donna Rane-Szostak Donna Rane-Szostak (Mar 7, 2022 15:16 PST)

Donna Rane-Szostak, Chair

## Chair: Jim Hopkins, GRF Treasurer IT Advisory Committee (ITAC)



- Last meeting: Friday, February 4
- Key discussion topics
- Presentation to corporate members to recommend funding a cloud-based ERP system to support staff, residents and board members
- Corporate members met Friday, February 11; approved recommendation

Next meeting: Friday, February 18

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