



OPEN MEETING

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL
MAINTENANCE AND CONSTRUCTION COMMITTEE**

**Monday, July 2, 2018 at 1:00 PM
Laguna Woods Village Community Center, Board Room
24351 El Toro Road**

NOTICE AND AGENDA

This Meeting May be Recorded

1. Call to Order
2. Acknowledgement of Media
3. Approval of Agenda
4. Approval of Meeting Report for June 4, 2018
5. Chair's Remarks
6. Member Comments – *(Items Not on the Agenda)*
7. Department Head Update

Consent:

All matters listed under the Consent Calendar are considered routine and will be enacted by the Committee by one motion. In the event that an item is removed from the Consent Calendar by members of the Committee, such item(s) shall be the subject of further discussion and action by the Committee.

8. Programs Report
9. Maintenance Expenditures and Variance Explanations
10. Project Log

Reports:

11. Dry Rot Investigation Report & Presentation by SGE
12. Programmable Drying Costs per Load
13. Non-Emergency Chargeable Maintenance Services

Items for Future Agendas:

- Vehicle Decal Policy Revisions
- Alteration Flooring Replacement Disbursement (due to moisture intrusion)
- Contract Award for Commercial Dryer Replacement Project (September)
- GV Inspection and Replacement of Receptacles in Garages
- GV Garage Cabinet Costs per Building



Concluding Business:

- Committee Member Comments
- Date of Next Meeting – August 6, 2018
- Adjournment

Bill Walsh, Chair
Ernesto Munoz, Staff Officer
Telephone: 268-2281



OPEN MEETING

**REPORT OF REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL
MAINTENANCE AND CONSTRUCTION COMMITTEE**

Monday, June 4, 2018 – 1:00 PM

**Laguna Woods Village Community Center Board Room
24351 El Toro Road**

MEMBERS PRESENT: Bill Walsh – Chair, Bunny Carpenter, John Frankel, Rosemarie di Lorenzo, Burt Baum, Roy Bruninghaus, Steve Parsons, Cush Bhada, Jules Zalon, James Tung, Advisor Steve Leonard

MEMBERS ABSENT: Jack Connelly

STAFF PRESENT: Ernesto Munoz – Staff Officer, Siobhan Foster, Laurie Chavarria

1. Call to Order

Chair Walsh called the meeting to order at 1:02 PM and stated that the meeting is being held pursuant to notice duly given and established that a quorum of the Committee was present.

2. Acknowledgement of Media

The media was not present.

3. Approval of the Agenda

The Consent calendar was pulled for discussion. The agenda was approved as amended.

4. Approval of Meeting Report for May 7, 2018

The meeting report from May 7, 2018 was approved as written. Chair Walsh directed staff to send M&C meeting reports to the Chair and Vice Chair for review and approval.

Discussion ensued regarding the level of detail for meeting minutes, audio recordings and full recordings by Information Technology Department.

5. Chair's Remarks

Chair Walsh remarked on the large agenda and various projects that need to be talked about. He commended the Committee Members for their extra efforts regarding the address signs and walkway lighting projects.

6. Member Comments (Items Not on the Agenda)

- Bert Moldow (3503-A) – commented on a report for damage restoration repair costs and the Breezeway Recessed Area pilot project.
- Diann Shirley (2395-1B) – commented on the waterproofing of Garden Villa Breezeway planters in relation to the Breezeway Recessed Area pilot project currently under construction. Ms. Shirley provided copies of a letter from Richard Moren.

Ernesto Munoz, and Directors di Lorenzo and Carpenter briefly responded to the comments.

Discussion ensued regarding the process involved to total all costs associated with individual moisture intrusion events; and the best way to respond to the concerns of Richard Moren on the GV Breezeway Recessed Area project. Staff will provide a written response to the letter presented by Richard Moren.

7. Department Head Update

Ernesto Munoz provided an update on the SCE/Par Electric Cable repair project (transformers and conductors) inside Gate 3.

Discussion ensued regarding the capacity size of the replacement transformers, infrastructure upgrades and the load calculations to warrant a larger transformer size.

Consent:

All matters listed under the Consent Calendar are considered routine and will be enacted by the Committee by one motion. In the event that an item is removed from the Consent Calendar by members of the Committee, such item(s) shall be the subject of further discussion and action by the Committee.

All items on the Consent Calendar were pulled for discussion.

8. Programs Report

Director Parsons asked about the Lead abatement costs on the PTP program. Ernesto briefly responded to the question.

9. Maintenance Expenditures and Variance Explanations

Director di Lorenzo commented on the funding for Fencing replacement. The charges to this line item have been miscoded and staff will ask Finance to correct this.

Director Parsons commented on the paint touch up costs due to moisture intrusion events.

Chair Walsh commented on the Solar Maintenance billing.

Bert Moldow (3503-A) commented on automation for cost accounting.

Ernesto Munoz briefly responded to all questions and comments.

10. Project Log

Director Parsons commented that contracts for projects were started earlier in the year and may need additional funding to continue the program work through the end of the year.

Discussion ensued regarding which programs to accelerate, year-to-date plumbing costs, epoxy lining, using reserve funds and the value of increasing the programs.

Item #9 Trash Chute Repairs: Director di Lorenzo asked for the project start date. The repairs will begin on June 20.

Item #15 Gutter Cleaning: Director Carpenter commented on the schedule and frequency.

Item #17 Parapet Stucco/Walls: Director Carpenter asked about the contract award recommendation. This report will be brought to a future meeting.

Item #19 Building Structures: Director Carpenter asked if the repair work on these buildings has been started yet.

Ernesto Munoz briefly responded to all questions and comments.

Reports:

11. Updated Costs for 3-story Building Address Signs

Ernesto summarized the report and answered questions from the Committee.

Discussion ensued regarding cost, the amount of signs per building, location of signs, address numbering on curbs, size of signs, monument signs, cul-de-sac signs, and OCFA building sign requirements.

Bert Moldow (3503-A) commented on the variety of address and cul-de-sac signs that are needed in order to find buildings during the day and night.

A motion was made to direct staff to purchase the specified building address signs, not to exceed 3 signs per building. Still will order and install the signs in Gate 14 and cul-de-sac 212 after they are provided with a list of building numbers, sign locations and quantity from Directors di Lorenzo and Bruninghaus.

By a vote of 9/2/0 (Directors Zalon and Frankel opposed), the motion carried.

12. Building Address Sign Locations for Gate 14 & CDS 212 (oral discussion)

At the May meeting staff was directed to provide a list of how many buildings there are for each model, along with a map of the buildings in Gate 14 and CDS 212.

Directors di Lorenzo and Bruninghaus reviewed the possible building address sign locations and presented this information to the Committee for discussion.

13. Coin Operated Dryer Replacement (oral discussion)

Chair Walsh provided an update on the upcoming dryer replacement project.

Discussion ensued regarding costs for platforms, vibration noise, and fabricating platforms using staff.

Lynn Jarrett (4010-1C) asked the board to consider the need for washer and dryer platforms.

14. 3-story Building Gutter Cleaning & Repair (oral discussion)

Ernesto Munoz provided a brief update on the gutter repair and cleaning.

15. Commercial Dryer Replacement (oral discussion)

Ernesto Munoz provided an update on the programmability of commercial dryers. The costs per load can be changed electronically.

16. Laundry Room Equipment Vibration Absorption Cups (oral discussion)

Ernesto Munoz provided a brief update on the vibration absorption cups installed at Building 969 and the residual noise that is still being heard from the trash chutes.

Discussion ensued regarding noise restriction time frames in 3-story buildings and the cost to reduce noise in the trash chutes.

17. Shepherd's Crook Update (oral discussion)

At the May meeting, staff was directed to look at other applications of Shepherd's Crook in the area and return with a recommendation.

Ernesto Munoz provided a brief update on Shepherd's Crook alternatives.

18. Solar Panel Cleaning (oral discussion)

Ernesto Munoz provided a brief update on the solar panel cleanings at 12 buildings. The first seven panels were inspected and staff found that some panels will need to be re-cleaned.

Items for Future Agendas:

- Shepherd's Crook Alternatives (July)
- Programmable Drying Costs per Load (July)
- Copper Pipe Epoxy Lining Contract (July)
- Non-Emergency Chargeable Maintenance Services (July)
- Dry Rot Inspection Report (July)
- Vehicle Decal Policy Revisions
- Alteration Flooring Replacement Disbursement (due to moisture intrusion)
- Contract Award for Commercial Dryer Replacement Project (September)
- GV Inspection and Replacement of Receptacles in Garages
- GV Garage Cabinet Costs per Building

Concluding Business:

• **Committee Member Comments**

Director Carpenter provided an update on the GV Breezeway Recessed area and presented pictures for the Committee review.

- **Date of Next Meeting – July 2, 2018**

Adjournment

The meeting was adjourned at 4:00 PM.


Bill Walsh, Chair


Rosemarie di Lorenzo

DRY ROT REPAIRS
DRY ROT REPAIRS
 Through May 31, 2018

Shown below is the cost breakdown for structures completed through the reporting period:

	DRY ROT REPAIRS	DRY ROT REPAIRS	DRY ROT REPAIRS	DRY ROT REPAIRS
	Cost	Cost	Cost	Cost
Buildings (Dry Rot)	108	108	63	40%
Carport Structures	32	32	14	44%
Laundry Buildings	15	15	9	60%
Buildings (Decking)	59	59	46	96%

	DRY ROT REPAIRS	DRY ROT REPAIRS	DRY ROT REPAIRS	DRY ROT REPAIRS
	Cost	Cost	Cost	Cost
A98100 Dry Rot Repairs PTP	\$ 643,731	\$ 268,183	\$ 391,803	-46%
A98101 Decking Repairs PTP	\$ 202,190	\$ 84,232	\$ 99,862	-19%
A98103 Welding Repairs PTP	\$ 10,947	\$ 4,564	\$ 458	90%
A98102 Lead Abatement PTP	\$ 375	\$ 155	\$ 1,375	-787%
Total Repairs Prior To Paint:	\$ 857,243	\$ 357,133	\$ 493,498	-38%

Shown below is the cost breakdown for total expenditures through the reporting period. These figures include costs associated with the above-referenced completions and work in progress:

	DRY ROT REPAIRS	DRY ROT REPAIRS	DRY ROT REPAIRS	DRY ROT REPAIRS
	Cost	Cost	Cost	Cost
A98100 Dry Rot Repairs PTP	\$ 391,803	\$ -	\$ -	\$ 391,803
A98101 Decking Repairs PTP	\$ 99,862	\$ -	\$ -	\$ 99,862
A98103 Welding Repairs PTP	\$ 458	\$ -	\$ -	\$ 458
A98102 Lead Abatement PTP	\$ 1,375	\$ -	\$ -	\$ 1,375
Total Repairs Prior To Paint:	\$ 493,498	\$ -	\$ -	\$ 493,498

*** Outside Services includes lift rentals, city permits, repairs by contractors

PORTLAND LL MLL
PORTLAND R R R R M R R R
 Through May 31, 2018

Shown below is the cost breakdown for structures completed through the reporting period:

PORTLAND R R M					
	Completed	On Order	Not Started	Not On Order	Not On Order
Buildings	136	64	2,131,393	576,459	27%
Carport Structures	32	7	74,254	4,048	5%
Total Carport Stalls	155	54			
Laundry Buildings	15	6	12,135	7,260	60%

MATERIALS PORTLAND R R M				
Item	Cost	Projected Cost	Actual Cost	Variance
Materials	\$ 180,960	\$ 75,400	\$ 55,406	26.5%
Lead Paint Testing	\$ 35,616	\$ 14,840	\$ -	100.0%
Labor	\$ 1,292,145	\$ 538,607	\$ 552,493	-2.6%
Total Cost	\$ 1,508,721	\$ 628,847	\$ 607,899	3.3%

MATERIALS PORTLAND R R M				
Item	Cost	Projected Cost	Actual Cost	Variance
Materials	\$ 17,664	\$ 7,360	\$ 3,036	58.7%
Labor	\$ 65,131	\$ 27,149	\$ 10,450	61.5%
Total Cost	\$ 82,795	\$ 34,509	\$ 13,486	60.9%

MATERIALS PORTLAND R R M				
Item	Cost	Projected Cost	Actual Cost	Variance
Materials	\$ 11,228	\$ 4,675	\$ 3,297	29.5%

Shown below is the cost breakdown for total expenditures through the reporting period. These figures include costs associated with the above-referenced completions and work in progress:

PORTLAND R R M R				
Item	Cost	Projected Cost	Actual Cost	Total Cost
Materials	\$ 61,739	\$ -	\$ -	\$ 61,739
Labor	\$ 562,943	\$ -	\$ -	\$ 562,943
Lead Paint Testing	\$ -	\$ -	\$ -	\$ -
Total Cost	\$ 624,682	\$ -	\$ -	\$ 624,682

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF MAY 31, 2018**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
REPLACEMENT FUND								
ALARM SYSTEMS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
BUILDING NUMBERS	0	2,830	1,134	14,150	33,970	3%	13,016	92%
BUILDING STRUCTURES	67,521	262,973	526,904	1,313,441	3,152,327	17%	786,537	60%
ELECTRICAL SYSTEMS	0	4,586	1,950	22,930	55,046	4%	20,980	91%
ENERGY PROJECTS	0	4,166	0	20,830	50,000	0%	20,830	100%
EXTERIOR LIGHTING	20,206	41,666	20,652	208,330	500,000	4%	187,678	90%
FENCING	0	0	21,576	0	0	0%	(21,576)	0%
GARDEN VILLA LOBBY	23,388	9,529	94,772	47,551	114,126	83%	(47,221)	(99%)
GARDEN VILLA MAILROOM	0	1,987	53,309	9,853	23,649	225%	(43,456)	(441%)
GARDEN VILLA RECESSED AREA	0	16,250	0	81,250	195,000	0%	81,250	100%
GV REC ROOM WATER HEATER/HEAT PUMP	7,345	1,500	8,663	7,500	18,000	48%	(1,163)	(16%)
GUTTER REPLACEMENTS	2,725	11,442	29,189	57,129	137,118	21%	27,939	49%
LANDSCAPE MODERNIZATION	0	20,833	0	104,167	250,000	0%	104,167	100%
MAILBOXES	4,414	1,626	4,430	8,072	19,389	23%	3,643	45%
PAINT PROGRAM - EXTERIOR	99,563	134,719	624,682	668,031	1,602,744	39%	43,349	6%
PRIOR TO PAINT	80,749	72,100	493,498	357,133	857,243	58%	(136,365)	(38%)
PAVING	0	175,000	0	175,000	597,000	0%	175,000	100%
ROOF REPLACEMENTS	159,497	174,119	466,693	553,334	1,598,050	29%	86,641	16%
SUPPLEMENTAL APPROPRIATIONS	53,132	53,132	53,132	53,132	53,132	100%	0	0%
TREE MAINTENANCE	132,309	69,442	554,270	345,444	826,476	67%	(208,826)	(60%)
WALL REPLACEMENTS	0	6,250	0	31,248	75,000	0%	31,248	100%
WASTE LINE REMEDIATION	194,145	62,500	292,347	312,500	750,000	39%	20,153	6%
WATER LINES - COPPER PIPE REMEDIATION	0	8,333	(1,000)	41,665	100,000	-1%	42,665	102%
OTHER - INVESTMENT EXPENSE	5,196	5,196	10,474	10,474	10,474	100%	0	0%
TOTAL REPLACEMENT FUND	\$850,191	\$1,140,179	\$3,256,674	\$4,443,164	\$11,018,744	30%	\$1,186,489	27%

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF MAY 31, 2018**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED		VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET				\$	%
OPERATING FUND									
1	APPLIANCE REPAIRS	\$9,847	\$7,901	\$44,297	\$39,098	\$93,901	47%	(\$5,199)	(13%)
2	BALCONY/BREEZEWAY RESURFACING	32,888	34,564	75,516	171,220	411,008	18%	95,704	56%
3	BUILDING REHAB/DRY ROT	21,040	26,928	49,985	133,585	320,666	16%	83,601	63%
4	CARPENTRY SERVICE	48,304	31,131	155,654	154,475	370,816	42%	(1,179)	(1%)
5	CONCRETE REPAIR/REPLACEMENT	15,389	23,329	190,343	115,739	277,636	69%	(74,604)	(64%)
6	CURB CUT/SIDEWALK RAMPS	0	1,666	0	8,330	20,000	0%	8,330	100%
7	ELECTRICAL SERVICE	5,250	11,977	42,088	59,269	142,279	30%	17,181	29%
8	FIRE PROTECTION	3,379	8,398	32,628	41,990	100,820	32%	9,362	22%
9	GUTTER CLEANING	155	2,308	7,730	11,438	166,799	5%	3,708	32%
10	GV MAILROOM RENOVATIONS	448	0	476	0	0	0%	(476)	0%
11	JANITORIAL SERVICE	72,579	65,909	350,490	327,924	785,925	45%	(22,566)	(7%)
12	MISC REPAIRS BY OUTSIDE SERVICE	7,566	5,505	32,835	27,525	66,061	50%	(5,309)	(19%)
13	PAINT - TOUCH UP	13,681	9,931	86,406	49,193	118,034	73%	(37,212)	(76%)
14	PAVING MAINTENANCE & REPAIRS	16,930	13,749	30,681	68,258	163,751	19%	37,577	55%
15	PEST CONTROL	10,824	24,912	20,330	124,560	298,968	7%	104,230	84%
16	PLUMBING SERVICE	71,456	47,276	303,556	234,165	562,159	54%	(69,391)	(30%)
17	ROOF REPAIRS	11,827	24,166	102,395	120,830	290,000	35%	18,435	15%
18	SOLAR MAINTENANCE	1,554	3,333	6,588	16,667	40,000	16%	10,079	60%
19	STAIR TREAD REPLACEMENTS	0	707	1,083	3,514	8,431	13%	2,431	69%
20	TRAFFIC CONTROL	2,100	2,491	13,045	12,387	29,721	44%	(658)	(5%)
21	WELDING	1,156	5,593	22,980	27,761	66,615	34%	4,781	17%
TOTAL MAINTENANCE PROGRAMS		\$346,374	\$351,774	\$1,569,106	\$1,747,930	\$4,333,590	36%	\$178,823	10%

THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS
OPERATING FUND VARIANCE EXPLANATIONS
As of May 31, 2018

1. **APPLIANCE REPAIRS - May: (\$1,946), YTD: (\$5,199)**
YTD variance still slightly above expected levels, mitigated by a favorable variance in March.
2. **BALCONY/BREEZEWAY RESURFACING - May: \$1,676, YTD: \$95,704**
Program starts later in year.
3. **BUILDING REHAB/DRY ROT- May: \$5,888, YTD: \$83,601**
Low demand so far this year.
4. **CARPENTRY SERVICE - May: (\$17,173), YTD: (\$1,179)**
The program is within budget expectations at this time.
5. **CONCRETE REPAIR/REPLACEMENT - May: \$7,940, YTD: (\$74,604)**
Crew completing higher volume of Concrete Repair per month than budgeted. Work has shifted to traffic signs and markings; expenditures should fall within budget as year progresses.
6. **CURB CUT/SIDEWALK RAMPS- May: \$1,666, YTD: \$8,330**
No demand so far this year.
7. **ELECTRICAL SERVICE - May: \$6,728, YTD: \$17,181**
Within expected monthly variation in demand from residents.
8. **FIRE PROTECTION- May: \$5,019, YTD: \$9,362**
Contractual and change order invoices will be processed as received from vendor; vendor behind on invoicing.
9. **GUTTER CLEANING - May: \$2,153, YTD: \$3,708**
Program starts later in year.
10. **GV MAILROOM RENOVATIONS- May: (\$448), YTD: (\$476)**
This program is complete for the Budgeted fi
11. **JANITORIAL SERVICE - May: (\$6,670), YTD: (\$22,566)**
High volume of discarded item pickup, which is charged to Miscellaneous under Janitorial Service. This trend will continue through remainder of year.

THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS
OPERATING FUND VARIANCE EXPLANATIONS
As of May 31, 2018

12. **MISC REPAIRS BY OUTSIDE SERVICE- May: (\$2,061), YTD: (\$5,309)**
Within \$5,000 variance year to date.
13. **PAINT - TOUCH UP - May: (\$3,750), YTD: (\$37,212)**
More hours required for exterior touch ups than anticipated. More hours required for exterior touch ups than anticipated. The budget for this program is based on Historical averages and trends and actual expenditures that will vary from year to year.
14. **PAVING MAINTENANCE & REPAIRS - May: (\$3,182), YTD: \$37,577**
Priority placed on Concrete Repair over Paving Repair. Focus has shifted to roadway work, which will be reflected in next report.
15. **PEST CONTROL FOR TERMITES**
The program started in May.
16. **PLUMBING SERVICE - May: (\$24,180), YTD: (\$69,391)**
High levels of plumbing repairs have resulted in above average costs.
17. **ROOF REPAIRS- May: \$12,339, YTD: \$18,435**
Within expected monthly variation in demand from residents.
18. **SOLAR MAINTENANCE- May: \$1,779, YTD: \$10,079**
Costs coded to another Program; will be corrected next month.
19. **STAIR TREAD REPLACEMENTS- May: \$707, YTD: \$2,431**
No demand so far this year.
20. **TRAFFIC CONTROL - May: \$391, YTD: (\$658)**
Within \$5,000 variance year to date.
21. **WELDING- May: \$4,437, YTD: \$4,781**
Added cost of lead and asbestos testing increasing operational cost.

Third Mutual Project Log (June 2018)				Estimated Completion/On-going Programs	Budget
#	Type	Name	Description	Status	
1	904 Maint Svc	2018 Waste line Remediation	The Waste lines Program involves the installation of a seamless liner within the existing pipes to mitigate future root intrusion as well as to resolve and prevent future back up problems related to compromised pipes. If there are consistent internal issues, these are also investigated and addressed during the waste line program. The program addresses interior as well as exterior waste lines. The program to line exterior pipes commenced in 2011. Starting in 2017 both, interior and exterior lines are receiving an epoxy liner.	The Board awarded a three-year contract to Specialized Pipe Technologies (SPT), to perform epoxy waste lining services for the Mutual. Work for the 2018 program resumed February 20th in the Gate 11 area. Lining began at buildings 5219-5223. Buildings currently scheduled for epoxy lining are: 5109, 5110, 5111, 5112, 5113, 5114, 5115, 5116, 5117, 5118, 5119, 5120, 5121, 5122 & 5123. 118 buildings have been completed to date. 77 have been invoiced. 150 buildings are estimated to be completed during the year.	Budget: \$750,000 Invoiced: \$384,405 Balance: \$365,595
2	904 Maint Svc	2018 Electrical Systems	This program is dedicated to repairing or replacing electrical equipment as needed.	Funding is provided for this program as a contingency to address electrical panel failures. One replacement has occurred at manor 3366-1F.	Budget: \$50,000 Invoiced: \$1,950 Balance: \$48,050
3	910 Maint Opr	2018 Prior to Paint Program (PTP)	The Mutual has a 10 year full cycle exterior paint program. Prior to paint dry rot and decking repairs will be performed every 10 years to prepare building surfaces for painting.	Staff is currently working in CDS 216. All buildings within the followings cul-de-sacs have been scheduled for inspection and repair with the 2018 PTP program as follows: 214, 225, 223, 220, 218, 216, 224, 222 and 221. CDS 214, 225, 223, 220 & 218 have been completed. We are 60% complete with the 2018 Prior to Paint scheduled work.	Budget: \$857,243 Invoiced: \$412,749 Balance: \$444,764
		2018 Exterior Paint Program	The Mutual has a 10-year full cycle exterior paint program. All exterior components of each building are to be painted every 10 years. The painted components include the body (stucco/siding) as well as the following list in regard to the trim: fascia boards; beams; overhangs; doors; closed soffits; structural and ornamental metal surfaces. Decks are top coated and damaged building address signs replaced. Lead abatement activities are performed in conjunction with the Exterior Paint Program.	Staff is currently painting in CDS 216. All buildings within the followings cul-de-sacs have been scheduled for painting and resurfacing with the 2018, Paint Program: CDS 214, 225, 223, 220, 218, 216, 224, 222, and 221. CDS 214, 225, 223 & 220 have been completed. We are 33% complete with the 2018 Exterior Paint Program.	Budget: \$1,602,744 Invoiced: \$525,119 Balance: \$1,077,625

5	910 Maint Opr	2018 Balcony & Breezeway Resurfacing	This program provides for the waterproof topcoat sealing of balcony and breezeway deck surfaces mid-way between exterior paint cycles. This waterproofing process protects the deck substructure against future dry rot and improves the aesthetics of the deck surface. Prior to applying topcoat, crews conduct an inspection of the deck structure to locate any potential safety hazards or dry rot problems.	This program is scheduled to start in June. There are 56 buildings on the schedule for this year.	December 2018 Annual	Budget: \$411,008 Invoiced: \$42,628 Balance: \$368,380
6	910 Maint Opr	2018 Garden Villa (GV) Lobby Renovations	This program addresses the replacement of the existing acoustic ceiling, wallpaper and carpet in GV lobbies. All walls, ceilings and doors are patched and painted and carpet is replaced. As of 2018, this program will include 10 GV lobbies to be renovated annually.	Ten lobby renovations are scheduled for 2018. The lobbies to be renovated are as follows: 2370, 3499, 2353, 2354, 2393, 5517, 969, 2400, 3241 and 2399. Staff began work in lobby 2370 in January, and it is anticipated all lobbies will be completed in July 2018. Lobbies Completed: 2370, 3499, 2353, 2354, 2393, 5517, 969, 2400, 3241 and 2399. As of June 8th, the Garden Villa Lobby program was completed for 2018. The average cost of each lobby renovation is \$11,412.	July 2018 Annual	Budget: \$114,126 Invoiced: \$114,126 Balance: \$0
7	910 Maint Opr	2018 Pest Control for Termites	This program is dedicated to eradicating dry wood termites from inaccessible areas by tenting buildings for fumigation. The budget also includes funding for local termite treatments on an as needed basis and hotel accommodations during tenting.	The fumigation program starts May 7, 2018 and is typically completed by November. There are 44 buildings scheduled to be fumigated this year.	November 2018 Annual	Budget: \$298,968 Additional funds added: \$10,000 New Budget: 308,968 Invoiced: \$9,506 Balance: \$299,462
8	910 Maint Opr	2018 Gutters - Replacement and Repair	Gutter replacement will be performed on original construction building rain gutters and downspout systems that are exhibiting deterioration. The Board authorized replacement using a "seamless" gutter system in conjunction with the Mutual's exterior painting of the building. This program also addresses gutter repairs performed by VMS staff.	Complete gutter and downspout replacement will take place at Buildings 2369, 2370, 2381, 2400, 2402, 2403, 2404 and 2405 in 2018. Staff is assessing the buildings and will create a scope of work and a schedule for the outside vendor. Funds have also been budgeted for repairs by in-house staff on an as needed basis throughout the year.	December 2018 Annual	Budget: \$137,118 Invoiced: \$26,464 Balance: \$110,654
920 Projects		Trash Chute Repairs - Three Story Buildings	This project is dedicated to repairing the discharge room and trash chutes in all three story buildings.	On March 20, the Board awarded a contract to Terra Pacific Waste Management in the amount of \$336,680 to repair trash chutes in all LH-21 and Garden Villa buildings. The repairs are scheduled to start late June.	December 2018	Supplemental Appropriation: \$336,680 Invoiced: \$0 Balance: \$336,680

10	920 Projects	2018 Roofing Replacement Program	This program is dedicated to replacing and maintaining Third Mutual roofs. Built-up roofs are inspected 15 years after installation. Roofs determined to have reached the end of their serviceable life are scheduled to be replaced with a new PVC cool roof system.	50 buildings totaling 177,215 square feet are scheduled to be re-roofed with new cool roof systems in 2018. The re-roofing work started in March and 11 of the 50 buildings have been completed to date.	December 2018 Annual	Budget: \$1,392,954 Invoiced: \$263,097 Balance: \$1,129,857
11	920 Projects	2018 Emergency Repair Program	This program is dedicated to preserving the serviceable life of roofs by completing emergent requests for roof repairs as they are received.	Emergent requests for roof repairs are completed as received all year long.	December 2018 Annual	Budget: \$290,000 Invoiced: \$103,122 Balance: \$186,878
12	920 Projects	2018 Asphalt Paving Program	This program is dedicated to preserving the integrity of Cul-de-sac street paving. As part of this program asphalt paving is inspected and rated for wear annually. The life for asphalt paving is estimated at 20 years. The 2018 program will consist of 108,293 square feet of paving replacement.	The Asphalt Paving work began in May and will be completed in July. The 2018 program will consist of 90,500 square feet of pavement replacement. The scheduled cul-de-sacs include: 315, 316, 322, 323, 366, 3150 and 3317. The original cul-de-sacs planned for 2018 were changed to the above cul-de-sacs due to ETWD Reclaimed Water project scheduling conflicts. Resident notifications for work to be completed in June/July were sent out in May.	August 2018 Annual	Budget: \$375,000 Invoiced: \$0 Balance: \$375,000
13	920 Projects	2018 Parkway Concrete Program	This program is funded to replace and repair damaged concrete parkways in conjunction with the asphalt paving program. Parkways are inspected for damage and other deficiencies are repaired or replaced accordingly.	The concrete replacement work began in May and is scheduled to be completed in July.	July 2018 Annual	Budget: \$150,000 Invoiced: \$0 Balance: \$150,000
14	920 Projects	2018 Seal Coat Program	This program is funded to extend the life of the asphalt paving by sealing asphalt cracks and applying a bituminous slurry seal to the asphalt surface preventing water intrusion and protecting the asphalt from deterioration.	The Seal Coat program work is scheduled to start in August and finish in September. 30 cul de sac/street areas totaling 599,359 SF of pavement will be seal coated in 2018.	September 2018 Annual	Budget: \$72,000 Invoiced: \$0 Balance: \$72,000
15	920 Projects	2018 Gutter Cleaning Program	This program is for the annual cleaning of Mutual Owned and Alteration Gutters.	The gutter cleaning program will start in September and finish in December.	December 2018 Annual	Budget: \$139,364 Invoiced: \$0 Balance: \$139,364

16	920 Projects	2018 Foundations Program	This program is funded to replace foundations showing signs of distress or impending failure. These repairs or replacements are performed on an as needed basis. As requests for foundation inspections are received, staff performs field observations, and if required, a structural engineer is then scheduled to inspect the foundation and provide a recommendation.	Nine Garden Villas locations (B2388, B2389, B2390, B2392, B2393, B2399, B2402, B2403, & B4011) were inspected and recommended for repairs. Repair plans were submitted and the bidding process was completed in April. The contract award is pending and work will be scheduled to start in August.	December 2018 Annual	Budget: \$207,000 Invoiced: \$0 Balance: \$207,000
17	920 Projects	2018 Parapet/Stucco Wall Repairs	Several Villa Paraisa and Casa Grande style homes in the Gate 11 area have had parapet wall leaks causing wood rot and wall damage. A phased program to remove these parapet walls was adopted by the Board to remove five walls per year.	Staff has analyzed the contractor bids and will be presenting a contract award recommendation for consideration at the July M&C Committee meeting.	December 2018 Annual	Budget \$230,000 Invoiced: \$0 Balance: \$230,000
18	920 Projects	2018 Building Address Signs	This program was funded to replace building address signs on 1,405 buildings over a ten year period beginning in 2016. However, more recently, the M&C Committee determined that the 82 three-story buildings required a more visible sign. Staff was directed to develop new three-story building signs that are larger than those currently installed. Sign placement was to be determined by building configuration.	Staff received direction at the June M&C Committee meeting to purchase and install building address signs on building locations provided by the Directors. Staff has ordered the signs for the specified buildings and will start installation once the signs have been fabricated.	TBD	Budget: \$33,970 Invoiced: \$0 Balance: \$33,970
19	920 Projects	2018 Building Structures	This program is dedicated to replacing and repairing building structural components that are not performing as designed.	Several building structural repair requests have been received and repairs are in progress at buildings: B4007, 2170-A, B5193, B967, 5500-1G, 5330-Q, 2404-3A, and B2395.	December 2018 Annual	Budget: \$750,000 Invoiced: \$145,915 Balance: \$604,085
20	920 Projects	Dry Rot Program	This program is dedicated to developing and implementing a systematic approach to eradicating wood rot throughout Third Mutual.	The Dry Rot Consultant is developing a presentation to present to the Board to outline their findings and recommendations. The presentation is scheduled to be presented at the July M&C Committee meeting.	December 2018 Annual	Budget: \$1,025,000 Invoiced: \$65,779 Balance: \$959,221

21	920 Projects	2018 Elevator Replacement Program	<p>This program is dedicated to elevator maintenance and replacement of worn equipment. In addition ten elevator cars are scheduled for interior renovations.</p>	<p>The elevators scheduled for component replacements are: 2381, 2355, 2390, 2394, 2397, 2402, 2399, 2369, 4001 and 4005. Notifications will be mailed in advance to the residents/owners in each building. Buildings 2381, 2355 and 2394 have been completed.</p> <p>Building 2397 will begin replacements on June 4, and will be completed June 21.</p>	December 2018 Annual	Budget: \$330,189 Invoiced: \$70,600 Balance: \$330,189
22	920 Projects	2018 Elevator Tile Floor Replacement	<p>This program replaces the elevators ceramic tile flooring with a high grade vinyl tile when the existing tile flooring is reported as damaged.</p>	<p>As elevator floors are reported to have broken tiles, flooring will be replaced with new high grade vinyl selected and approved by the Board. Building 2393 was replaced in 2018.</p>	December 2018 Annual	Budget: \$17,083 Invoiced: \$2,145 Balance: \$17,083
23	920 Projects	2018 Water Lines - Copper Pipe Remediation	<p>This program is intended to extend the life of copper pipes in all buildings which experience a high frequency of copper pipe leaks.</p>	<p>Buildings that have been identified and qualify for the epoxy lining program will be completed this year. A contract award recommendation for 2018 selected qualified buildings will be presented for consideration at the July M&C Committee Meeting.</p>	December 2018 Annual	Budget: \$100,000 Invoiced: \$0 Balance: \$100,000
24	920 Projects	Exterior Lighting	<p>In 2018 funding for this program will be allocated towards the purchase of the Southern California Edison street light infrastructure. a contract with Siemens in the amount of \$843,857 was executed. The scope of work is to assist with the street light acquisition, retrofit of the existing lighting fixtures, and to perform the operations and maintenance of the asset for three years. Additionally, it will offset the cost of consulting services to assist with the acquisition, and the upgrade of other exterior lighting.</p> <p>This program also includes funding for walkway lighting needs.</p>	<p>Street Lights: On May 30 the California Public Utilities Commission approved the sale and transfer of streetlights from SCE to Third Mutual. The transfer process of surveying, tagging, and invoicing for the assets will be complete in November 2018. The pilot program to select the LED fixtures for the retrofit will start in September 2018. The LED retrofit of 788 street light fixtures is scheduled to be completed in March 2019.</p> <p>Walkway Lighting: Supergreen Solutions installed 6 pilot bollards in cul-de-sac 202. These bollards were viewed at night by several Directors and a member from staff. The Directors were pleased with the bollards and gave direction to move forward with an RFP for replacement of all fixtures with these bollards. Staff had a pre-bid meeting on April 26th with 4 contractors in attendance and viewed the site. Bids were received from all 4 contractors and reviewed by staff. Staff recommended to award the contract to Supergreen Solutions and this recommendation was approved by the Third Board at the June 4th M&C Committee meeting. After contract execution is completed fixtures will be ordered and installed upon arrival. Installation is scheduled to begin in July.</p>	December 2018	Budget: \$500,000 Invoiced: \$0 Balance: \$500,000

25	920 Projects	2018 Common Wall Replacement	Funding for this program is allocated as a contingency to replace damaged common walls as needed. As request for inspection or repairs are received, staff inspects and repairs are made as needed.	No repair requests have been received regarding common walls within the Third Mutual.	December 2018 Annual	Budget: \$25,000 Invoiced: \$0 Balance: \$25,000
26	920 Projects	Shepherd's Crook	As a part of the Conditional Use Permit 1135 with the City of Laguna Woods, The Mutual will remove and replace barbed wire on all perimeter walls with Shepherds Crook on a phased approach.	This project is on temporary hold while staff reviews alternative security fence solutions. Once the alternative solutions and estimated pricing have been received, staff will present a recommendation report for consideration to a future M & C Committee meeting.	December 2018	Budget: \$50,000 Supplemental: \$250,000 Invoiced: \$0 Balance: \$300,000
27	920 Projects	2018 Garden Villa Breezeway Recessed Areas	This pilot project will fill in the Garden Villa breezeway recessed areas with light weight concrete to match the existing walkway surface. This work will eliminate existing uneven surfaces in recessed areas to eliminate tripping hazards. The work performed will reduce maintenance costs, increase dry rot repair and prevention of mold.	In September of 2017, the Board awarded a contract to B. Foster Construction to fill in the recessed areas at buildings 2384, 2385 and 2386. Building 2384 began construction in March 2018, and completed the first week of June. The common area plants will be replaced by the landscaping crew the second week in June. Buildings 2385 and 2386 are in progress and will be completed in July.	July 2018 Annual	Budget: \$178,721 Invoiced: \$42,992 Balance: \$178,721
28	920 Projects	Energy Consultant Services	An Energy Consultant will be used as needed in order to advance Third's and the Community's future energy initiatives.	A Professional Service Agreement contract was awarded to The Energy Coalition for a not to exceed amount of \$50,000. Staff will have the consultant review any projects that include an energy component.	December 2018	Budget: \$50,000 Invoiced: \$0 Balance: \$50,000

	910 Maint Opr	2018 Garden Villa (GV) Mailroom Renovations	<p>This program is funded to renovate GV mail rooms. The scope of work includes removing existing paneling and adding drywall, trim, installation of new light diffusers, installation of new mailboxes; and complete painting of walls, ceilings and doors. Starting with the 2018 program ten GV mailroom lobbies will be renovated annually.</p> <p>*Staff was directed to complete 10 mailrooms for 2018 after the budget was adopted , which is the reason for the variance.</p> <p>The 10 mailrooms renovated in 2018 are: 2355, 2384, 3499, 5499 ,5370, 3242, 2398, 2396, 2394 and 2397.</p>	COMPLETED	May 2018 Annual	Budget: \$23,469 Invoiced: \$50,000 Balance: \$ (26,531)
	910 Maint Opr	2018 Garden Villa Laundry Room Flooring Renovations	<p>This program is funded to replace the GV and LH-21 style buildings laundry room floors with epoxy flooring when existing vinyl flooring is damaged. The list of laundry room floors that will receive epoxy coating in 2018 are as follows: 2392, 2389, 3243, 4001, 4013 and 5515.</p>	COMPLETED	May 2018 Annual	Budget: \$28,444 Invoiced: \$28,444 Balance: \$0
	920 Projects	2017 Parapet/Stucco Wall Repairs	<p>Several Villa Paraisa and Casa Grande style homes in the Gate 11 area have had parapet wall leaks causing wood rot and wall damage. A phased program to remove these parapet walls was adopted by the Board to remove five walls per year. B5193, 5212, 5219, 5265, 5312 were started in December 2017 and completed in March 2018.</p>	COMPLETED	April 2018 Annual	Budget \$230,000 Invoiced: \$180,453 Balance: \$49,547
	920 Projects	Trash Chute Cleaning for Three Story Buildings	<p>This project is dedicated to cleaning the trash chutes in all three story buildings.</p>	COMPLETED	March 2018	2017 Supplemental Appropriation Budget: \$23,975 Invoiced: \$21,975 Balance: \$2,180
	920 Projects	2018 - 5 & 10 year old Roof Maintenance Program	<p>This program is dedicated to preserving the serviceable life of the roofs through a 5 and 10-year inspection cycle. Roofs are inspected and maintained accordingly.</p>	COMPLETED	January 2018	Budget: \$205,100 Invoiced: \$205,096 Balance: \$4



STAFF REPORT

DATE: July 2, 2018
FOR: Maintenance and Construction Committee
SUBJECT: Dry Rot Investigation Report

RECOMMENDATION

Direct staff to solicit contractor bids for the Dry Rot Repair project for construction of twenty buildings. Sixteen buildings were identified in the Engineering Investigation of Fungal Damage (Dry Rot Report) as requiring repairs, and four additional buildings are proposed as alternate bids.

BACKGROUND

Due to the age and construction of the majority of the buildings in Third Mutual, dry rot is an ongoing concern to the longevity of the structures. Third Laguna Hills Mutual has 1,405 wood-constructed buildings with 6,102 manors and is composed of 60 model styles. A dry rot inspection conducted in 2011-2012 found 150 buildings with various levels of dry rot. Dry rot repairs for these buildings were completed in 2016 at a cost of \$305,525.

The Building Maintenance and Projects Divisions have dry rot repair projects currently in progress. Many problems are identified through the Prior-to-Paint Program, which include both non-structural cosmetic building components as well as potentially hazardous structural members.

In order to develop a program to mitigate the wide-spread damage from dry rot, a comprehensive Request for Proposal (RFP) was released in May 2017 and widely advertised to qualified consultants. After the selected consultants reviewed the RFP, and based on feedback received from the consultants, modifications were made to the scope of work to develop a pilot program of 20 representative buildings. The selected building types represent 729 buildings within the Mutual.

In August 2017, a recommendation to award a contract was presented to the M&C Committee recommending SGE Consulting Engineers (SGE) as the preferred vendor to conduct the investigations of the selected buildings as part of this pilot program.

DISCUSSION

SGE's report reveals, of the 20 buildings investigated, four show no apparent signs of decay, eleven show signs of decay to non-structural components only, and five show signs of decay to both structural and non-structural components.

The majority of the affected areas identified in the SGE's investigation are exposed wood architectural elements. Some of these elements can be removed to reduce the potential for future damage without affecting the structural integrity of the building. SGE has identified areas and details which need to be replaced and or upgraded to reduce or eliminate moisture-related problems in the future. Many of the details, including flashing, caulking, gutters, and downspouts, identified by SGE, will be utilized in subsequent programs to address additional buildings, and will also be incorporated in maintenance programs moving forward.

Staff will generate bid documents based on SGE's report findings and solicit contractor bids for the repair work to be performed. Staff recommends that four additional buildings be included in the request for proposal scope. These additional four buildings represent building models which have shown susceptibility to dry rot as identified in the Dry Rot Report.

FINANCIAL ANALYSIS

SGE provided engineer's cost estimates to perform the repairs identified in their report. This project has funding in the amount of \$887,822 available from the Replacement Fund, Building Structures – Dry Rot Component.

Prepared By: Steven Warmbier – Project Manager

Reviewed By: Guy West – Projects Division Manager
Ernesto Munoz, P.E. – Maintenance and Construction Director
Jose Campos, Financial Services Manager
Betty Parker, Financial Services Director



STAFF REPORT

DATE: July 2, 2018
FOR: Maintenance and Construction Committee
SUBJECT: Programmable Drying Costs per Load

RECOMMENDATION

Program the commercial dryers at a rate of \$0.25 cents per 20 minutes of drying time.

BACKGROUND

Staff has previously investigated the costs of installing new coin operated commercial dryers and the associated return on investment (ROI). This ROI is affected by the expected amount of money required to dry one load of laundry.

On August 1, 2017 staff presented a report to the Energy Committee (Attachment 1), and was directed by to provide additional information regarding costs and additional return on investment information.

On October, 3, 2017 the Energy Committee recommended that the Finance Committee approve the Energy Committee's endorsement to replace all laundry room dryers with coin operated commercial grade dryers, to be funded with a supplemental appropriation of \$350,000 from the Laundry Replacement Fund.

On November, 6, 2017, staff presented a report to the M&C Committee with additional ROI information (Attachment 2), and was again directed to bring back a report with costs for installation by an outside vendor as opposed to in-house staff installation, including a schedule for dryer removal and replacement.

At the December 5, 2017 Energy Committee, discussion ensued regarding the ROI spreadsheet prepared by the Finance Department since the endorsement for the supplemental appropriation was not approved. Staff presented a report regarding costs for installation, salvage value, revenue, electricity savings and installation labor costs (Attachment 3).

At the January 8, 2018 M&C Committee meeting staff presented a report for the laundry room dryer replacement schedule and associated costs (Attachment 4). A motion was made to follow staff's recommendation for the future purchase of coin operated commercial dryers, instead of card payment systems. By a vote of 8/1/0 (Director Caine opposed), the motion carried. In addition, staff was directed to bring back a recommendation for a contract award at the September M&C Committee meeting. The bid will include alternate cost options for laundry platforms and exterior venting for the dryers.

DISCUSSION

Staff had previously set a level of \$0.50 per load to calculate the payback for this project with an estimate that a typical load of laundry can be dried in 40 minutes or less. By setting a rate of \$0.25 per 20 minutes of drying time, this calculation will remain at previous levels and maintain expected costs to users.

The cost to purchase new commercial Speed Queen coin-operated dryers is \$294,000. The analysis estimates \$110,000 additional income per year associated with the installation of these machines.

With an assumption that users spend \$0.50 per load, this equates to a payback period of just over 2 years and a return on investment of 19%.

Assuming \$0.75 per load, the income would be \$165,000, giving a payback of nearly 1.5 years.

If users average only \$0.25 per load, the income would be \$55,000, a payback of nearly 3.5 years.

FINANCIAL ANALYSIS

The 2019 Business Plan has been prepared based on the assumption of \$0.50 per load generating approximately \$110,000 per year in additional revenue.

Prepared By: Mark Stal, Maintenance Services Manager

Reviewed By: Ernesto Munoz, P.E., Maintenance and Construction Director
Betty Parker, Financial Services Director

ATTACHMENT(S)

Attachment 1 – 8/1/17 Staff Report from Third Energy
Attachment 2 – 11/6/17 Staff Report from Third M&C
Attachment 3 – 12/5/17 Staff Report from Third Energy
Attachment 4 – 1/8/18 Staff Report from Third M&C



STAFF REPORT

DATE: August 1, 2017
FOR: Energy Committee
SUBJECT: Cost of Commercial Dryers & Average of Current Usage

RECOMMENDATION

Receive and file.

BACKGROUND

Staff was directed to estimate the cost associated with replacing current dryers with commercial units. Staff was also directed to provide the average usage of existing dryers.

DISCUSSION

The cost to purchase a new commercial Maytag dryer is about \$900. With materials and installation the cost is about \$1,000 per unit. At the current inventory level of 413 dryers it would cost roughly \$413,000 to replace all the units, or \$332,000 if the inventory was reduced by 81 units.

Because there is no coin collection on the dryers, staff does not have any data on the average dryer loads per day.

FINANCIAL ANALYSIS

None at this time.

Prepared By: Mark Stal, Maintenance Services Manager

Reviewed By: Ernesto Munoz, P.E., Maintenance Operations Director



STAFF REPORT

DATE: November 6, 2017
FOR: Maintenance and Construction Committee
SUBJECT: Laundry Room Dryer Replacement

RECOMMENDATION

Review and provide direction.

BACKGROUND

Staff was directed to bring a report with additional information on costs and ROI for the Committee to review in order to provide further direction to staff.

DISCUSSION

The Purchasing Department was asked to source a commercial dryer to replace the existing residential models. The unit selected by Purchasing was a Maytag brand, which is the same brand as the existing washers. The cost for the unit is approximately \$900. With the small amount of parts required and the labor for installation, the total cost for installation is estimated at \$1000.

The revenue generated from washing machines in 2016 was \$101,554. If the inventory for dryers is reduced to 331 as previously suggested, the cost of installation would be \$331,000. If the dryer cost is set to \$0.50, similar to the charge for the washing machines, it will generate additional revenue of \$101,554. This calculates to a simple ROI of 3.26 years.

There are several other sources of income or savings that are unknown variables at this time and not included in this ROI. It does not include any income that would come from the sale of the existing machines. Additionally, there would be energy savings from several sources. First, the commercial dryers are more energy efficient, and thus would use less electricity per load. It has been noted that in the current situation where the dryers are free, residents are more likely to put the dryer on for much longer than is necessary. There are also residents that wash their clothes in their manors and bring the clothes to the laundry room for drying. A coin operated dryer would greatly reduce both of these situations. Lastly, with all new machines, the cost of repairs and maintenance would be greatly reduced. Most likely these factors would bring the ROI below 3 years.

There are costs associated with the collection of the coins from the dryers. Additionally, if the machines need to be stored while switching them out, there would be costs for the labor and possible container rental to house the machines. These costs are relatively small compared to the purchase price, and are estimated to balance out with the energy savings mentioned previously.

If this replacement is to be done with in-house staff, installations would be limited by staff and vehicle availability. The estimated time for replacement of all machines by existing staff is one year. If replacement is to be done by an outside service or the hiring of additional staff, the Union would have to be consulted and additional research would be needed.

FINANCIAL ANALYSIS

If coin operated commercial dryers were to be purchased and installed, a supplemental appropriation not to exceed \$350,000 from the Laundry Replacement Fund would be required.

Prepared By: Mark Stal, Maintenance Service Manager

Reviewed By: Guy West, Projects Manager

**STAFF REPORT**

DATE: December 5, 2017
FOR: Energy Committee
SUBJECT: Coin Operated Dryer ROI

RECOMMENDATION

Review and provide direction.

BACKGROUND

Staff was directed to prepare a report with additional information on costs and ROI for the Committee to review in order to provide further direction to staff for a coin operated laundry room dryer replacement program.

DISCUSSION

The Purchasing Department was asked to source a commercial dryer to replace the existing residential models. The unit selected by Purchasing was a Maytag brand, which is the same brand as the existing washers. The following assumptions were made to determine the financial impact of a coin operated dryer program.

Installation

The cost to purchase a commercial dryer is approximately \$900. With the small amount of parts required and the labor for installation, the total cost per installed dryer is estimated at \$1,000. If the inventory for dryers is reduced to 331 as previously suggested, the cost of installation would be \$331,000.

Salvage Value

The Mutual currently owns 413 machines of varying ages which would be sold at auction. An average residual value of \$50 per unit was assumed for this analysis.

Revenue

The revenue generated from washing machines in 2016 was \$101,554. If the dryer cost is set to \$0.50, similar to the charge for the washing machines, it will generate additional revenue of approximately \$100,000.

Electricity

Commercial dryers are more energy efficient than residential units and the introduction of fee-based drying may act as a deterrent to overuse. A graduated savings in electricity was assumed, 10% less usage in the first year, 8% in the second year, and 5% every year thereafter.

Labor Cost

The cost of repairs and maintenance would be reduced with the installation of new machines. Maintenance costs would be minimal during the 5-year limited warranty, after which costs are projected at a 25% savings from the current dryer repair budget. Partially offsetting this savings would be additional hours required for coin collection by Security personnel.

If replacements were performed with in-house staff, installations would be limited by staff and vehicle availability. The estimated time for replacement of all machines by existing staff is one year. If replacement is to be performed by an outside service or the hiring of additional staff, the Union would have to be consulted to provide temporary labor.

FINANCIAL ANALYSIS

A financial analysis of the projected cash flows was used to determine an initial cash outlay of \$331,000 and total savings of \$1,058,000 over the 10-year expected life (in today's dollars), an average net savings of \$74,800 per year. The payback period is just under 2.5 years and the total rate of return is estimated at 16% for this project (Attachment 1).

Proceeding with implementation of coin operated commercial dryers would require a supplemental appropriation of \$350,000, which includes a contingency, to be funded from the Laundry Replacement Fund. Revenue collected from dryers during 2018 would be booked to the same reserve and in subsequent years, the laundry surcharge assessment would be reduced to reflect lower net operating costs.

Prepared By: Mark Stal, Maintenance Service Manager
Christopher Swanson, Financial Analyst

Reviewed By: Ernesto Munoz, P.E., Maintenance Operations Director
Betty Parker, Financial Services Director

Attachment(s):
Attachment 1: Coin Operated Dryers Cash Flow



STAFF REPORT

DATE: January 8, 2018
FOR: Maintenance and Construction Committee
SUBJECT: Laundry Room Dryer Replacement Schedule and Costs

RECOMMENDATION

Direct staff to bring back a recommendation to award a contract to an outside vendor to replace all laundry room dryers with commercial, coin-operated dryers.

BACKGROUND

Staff was directed to provide costs and a plan for removal and replacement of all laundry room dryers.

DISCUSSION

The two options for the execution of this work are to either use in-house maintenance staff or retain an outside vendor.

In-house staff

If in-house maintenance staff performs this work it will defer other work staff is assigned to implement for the annual operations budget. Additionally, the dryers will have to be received and stored prior to installation, incurring additional staff time. Based on estimated available staff time, it will take 11-12 months for staff to complete this work, while placing other budgeted work on hold. The purchase price for Maytag units is approximately \$900, and the labor and materials required to receive, remove and replace the dryers is estimated at \$100. Thus the total cost for in-house staff is estimated at \$1,000.

Outside Vendor

Staff solicited and received two bids from outside vendors to provide the labor and materials required to implement this process. Based on their experience with different manufacturers, they did not recommend using Maytag dryers. Staff selected Maytag units in order to stay uniform with the existing Maytag washers. The two vendors who have proposed on this work suggested Speed Queen and Whirlpool equivalent machines. Both vendors had pricing of under \$1,000 per unit. If an outside vendor was retained to perform this work, once a contract is executed, it would be completed in approximately 30 days.

There are several factors which make installation by an outside vendor preferable:

1. The cost is lower, with an estimated savings of \$30,000.
2. There are problems associated with a prolonged installation by staff, including resident complaints based on order of installation. Residents may also choose to use laundry rooms that still have original dryers, as these machines would still be free to use. This would create over use in some areas, and under use in others.
3. Staff time would be encumbered during this project, which will require setting other budgeted operations' work aside.
4. Storage in the warehouse would require additional space, congestion during delivery, and staff time to coordinate. A temporary storage unit may also be required.

A detailed deployment schedule by laundry room would be prepared and provided to the community once a vendor has been selected.

FINANCIAL ANALYSIS

There currently are no funds appropriated for this work. After an installation plan has been chosen, staff will recommend a supplemental appropriation.

Prepared By: Mark Stal, Maintenance Services Manager

Reviewed By: Ernesto A. Munoz, P.E., Maintenance and Construction Director



STAFF REPORT

DATE: July 2, 2018
FOR: Maintenance and Construction Committee
SUBJECT: Non-Emergency Chargeable Maintenance Services

RECOMMENDATION

Approve the revised list of non-emergency chargeable maintenance services and the updated Resolution 03-18-XX (Attachments 1 and 2).

BACKGROUND

At the April 2, 2018 M&C Committee meeting, staff proposed 18 additional chargeable maintenance services for the Committee to review. Discussion ensued regarding any other services that could be added to the list. Chair Moldow requested that the Committee members propose additional maintenance services for review and discussion at the following Committee meeting.

At the May 7, 2018 M&C Committee, Director Baum was the only member who suggested an additional chargeable service item. Staff was then directed to add an estimated cost and time frame to each offered service as well as specify which items require materials to be supplied by the resident.

DISCUSSION

Third Laguna Hills Mutual's Covenants, Conditions, and Restrictions mandate that the Mutual make repairs to its property and charge members for these repairs if the damage originated from their Manor. In addition, §1369 of the Davis-Stirling Act permits staff to perform emergency chargeable services to protect Mutual property.

According to Article XIII of the CC&R's the Mutual shall cause common area to be repaired and reconstructed in the event of damage or destruction, within certain specific financial limitations. Additionally, the Mutual takes responsibility for the regular maintenance of common area including the exteriors (excluding alterations) of all buildings, and repairs of structural damage due to settling.

According to Article IV of the CC&R's the Owner of the Unit (Mutual Member) shall paint, maintain and repair "the doors, windows, carpets, fixtures, interior surfaces of the Unit, or items of property located within the interior surfaces of the Unit or constituting a part of the Unit".

The Mutual Members are also held responsible for the repair of items damaged by the Mutual Member's negligence or misuse. Ultimately, any alteration, addition, fixture or improvement installed by the Mutual Member or any predecessor, whether within or without the Manor, is to be repaired or maintained by the Mutual Member at the Mutual Member's own expense and in

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a manner satisfactory to Third Laguna Hills Mutual, although the Mutual may paint the exterior of certain additions.

The Mutual has historically planned for various levels of work as non-emergency maintenance chargeable services. These chargeable service repairs are typically items of work for which the Mutual is not responsible; estimates for such repairs have been included in the annual budgeted service levels to account for the additional anticipated service hours. Chargeable services are provided at no cost to the Mutual. Labor is prorated to the tenth of an hour and applied at the current billing rate for the relevant division; materials are passed through at cost; and a flat rate \$25.00 service charge is applied.

The level of staff hours budgeted for the current list of non-emergency maintenance chargeable services in 2018 are listed below.

Maintenance Divisions	Non-Emergency Staff Hours Budgeted
Carpentry	124
Electrical	300
Plumbing	456
Total Hours	880

The addition of other non-emergency chargeable services may alter the staffing level required to accommodate the increase in requested work. Careful consideration must be given to staffing levels if the number of non-emergency maintenance chargeable services is increased, to ensure these hours, and potentially new positions, may be reflected in subsequent budget proposals.

The estimated number of staff hours to complete the additional chargeable services is unknown at time.

FINANCIAL ANALYSIS

No financial impact at this time.

Prepared By: Laurie Chavarria, Executive Assistant
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Mark Stal, Maintenance Services Manager

Reviewed By: Ernesto Munoz, P.E., Maintenance and Construction Director

Attachment(s):

Attachment 1 – Current & Proposed Non-Emergency Chargeable Maintenance Service List
Attachment 2 – Revised Resolution 03-18-XX

ATTACHMENT 1

Third Laguna Hills Mutual Selectable Non-Emergency Maintenance Chargeable Services

The following schedule is intended to provide general courtesy maintenance services.

Trade & Rate	Description of Service	Limitation(s)	Time Frame	**Estimated Cost (Material, Labor & Service Charge)
Carpentry	Entry Door Lock Service	(1), (5)	1/2 hour	\$ 54.59
\$59.17	Lock Rekeying	(1), (5)	1/2 hour	\$ 54.59
	Mailbox Lock Service	(1), (5)	15 min	\$ 42.51
	Patio Gate Door Lock Service	(1), (5)	1/2 hour	\$ 54.59
	Storage Cabinet Lock Service	(1), (5)	1/2 hour	\$ 54.59
	Installation of Entry Door Dead Bolt Lock	(1), (3), (5)	1/2 hour	\$ 69.58
	Installation of Entry Door Peep Hole	(1), (3), (5)	1/2 hour	\$ 64.59
	Installation of Manor Address/Letter on Entry Door	(1), (3), (5)	15 min	\$ 40.90
	Re-screen Sliding Screen Doors	(1), (3), (5)	45 min	\$ 76.59
	Re-screen Window Screens	(1), (3), (5)	1/2 hour	\$ 59.49
	Repair/Replacement of Standard Towel Bars	(1), (3), (5)	1/2 hour	\$ 79.36
	Repair/Replacement of Standard Grab Bars	(1), (3), (5)	1/2 hour	\$ 79.36
	Replace Standard Interior Doors/Locks/Knobs	(1), (3), (5)	1/2 hour	\$ 69.59
	Replace Standard Baseboards and Mouldings (16 ft.)	(1), (3), (5)	1 1/2 hours	\$ 130.40
	Replace Standard Door Stops/Bumpers	(1), (3), (5)	1/2 hour	\$ 55.66
	Repair/Fill nail holes in drywall	N/A	1 1/2 hours	\$ 128.11
	Installation of Standard Bathroom Accessories (toilet paper holder, soap dish, toothbrush holder)	(1), (3), (5)	1/2 hour	\$ 78.14
	Insect/Rodent Entry Screening (per area)	(1), (5)	15 min	\$ 48.75
Electrical	Light Bulb/Ballast Service	(1), (3), (5)	1 hour	\$ 112.00
\$67.03	Door Bell Service	(1), (3), (5)	1 hour	\$ 108.03
	Breaker Service	(5)	1/2 hour	\$ 63.30
	Ceiling Heat (Thermostat) Service	(1), (3), (5)	1/2 hour	\$ 87.11
	Repair/Replace Outlets	(1), (3)	1/2 hour	\$ 65.35
	Repair/Replace Light Switches	(1), (3)	1/2 hour	\$ 65.35
Plumbing	Faucet Repair (cartridge style) *Resident Supplied*	(3), (5)	1 hour	\$ 65.51
\$65.51	Repair/Replace Toilet Seat	(1), (3), (5)	1/2 hour	\$ 79.96
	Repair/Replace Angle Stop Valve	(1), (3), (5)	1 hour	\$ 112.00
	Repair/Replace Shower Head	(1), (3), (5)	1/2 hour	\$ 78.50
	Repair/Replace Tub Spout	(1), (3), (5)	1 hour	\$ 121.51
	Fitting/Flange/Valve - Repair/Replace	(1), (2), (3), (5)	1 hour	\$ 128.86
	Toilet Operational Repair Service	(1), (2), (3), (5)	1 hour	\$ 90.51
	Mixit Valve Service	(1), (2), (3), (5)	1 hour	\$ 95.00
	Water Heater Repair	(1), (2), (3), (5)	15 min-1 hour	\$38 - \$150
	Water Heater Replacement	(1), (2), (3), (5), (6)	3 hours	\$ 1,721.00
	Water Heater Service/Element Replacement	(1), (3), (5)	1 hour	\$ 170.51
	Water Shut Off/On Request	N/A	1/2 hour	\$ 57.75
Paving	Pole/Bollard Installation (water heater related)	(4)	1-3 hours	\$150 - \$300
\$50.74	Stain/Oil Clean-Up		2 hours	\$ 126.48

****Estimated costs will vary, depending on the current years billable rate for staff.**

Limitation(s):

- (1) Standard brand only
- (2) Original fixtures only
- (3) Limited to parts in stock
- (4) As needed per Building Code/Permit requirements only
- (5) 30-day warranty on parts and labor
- (6) Manufacturer provided 10-year warranty on water heater tank only; labor, materials, service charge, permit fee and permit processing fee apply to warranty replacements

ATTACHMENT 1

Charges for the attempted services will include the following :

- (a) Prorated labor at the current annual billing rate for each trade;*
- (b) Materials costs;*
- (c) Service charge;*
- (d) Permit fee and permit processing fee (if applicable)*

For scheduled appointments :

Failure to be present at the time of the technician's arrival will result in a \$15.00 fee

ATTACHMENT 2

RESOLUTION 03-18-XX

Schedule for Non-emergency Maintenance Chargeable Services

WHEREAS, on October 20, 2015, the Board of Directors adopted Resolution 03-15-156 which reestablished the delivery of non-emergency chargeable services and approved a schedule for non-emergency maintenance chargeable services; and

WHEREAS, the service call charge for all Maintenance chargeable services was increased to \$25; and

WHEREAS, the Board established a \$25 permit processing fee for work that requires a City of Laguna Woods building permit if VMS pulls the permit; and

WHEREAS the Board approved a \$15 service charge ~~to be charged~~ when the Mutual Member (or representative) is not home for a scheduled appointment and fails to cancel in advance; and

WHEREAS, on July 21, 2015 the Board of Directors approved amending the schedule for non-emergency maintenance chargeable services to include the replacement of manor low flow toilets; and

WHEREAS, on March 21, 2017 the Board of Directors approved amending the schedule for non-emergency maintenance chargeable services to include Water Heater Maintenance & Element replacement; and

WHEREAS, additional non-emergency maintenance chargeable services have been added for electrical, carpentry and plumbing services as shown on the attached approved list; and

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors hereby approves the attached new schedule for non-emergency maintenance chargeable services; and

RESOLVED FURTHER, that the service call charge for all Maintenance chargeable services shall remain \$25; and

RESOLVED FURTHER, the \$25 permit processing fee for work that requires a City of Laguna Woods building permit if VMS pulls the permit shall remain in effect; and

RESOLVED FURTHER, the \$15 service charge for when the Mutual Member (or representative) is not home for a scheduled appointment and fails to cancel in advance shall remain in effect; and

RESOLVED FURTHER, should the Mutual Member not be notified of a scheduled appointment change or the technician does not make the scheduled appointment, the subsequent scheduled appointment will be at no charge to the Mutual Member; and

RESOLVED FURTHER, that Resolution 03-17-48 adopted May 16, 2017 is hereby superseded and cancelled; 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.