



**SPECIAL MEETING OF THIRD LAGUNA HILLS MUTUAL,
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Wednesday, March 27, 2024 - 1:30 p.m.
Laguna Woods Village Community Center
Board Room/Virtual Meeting
24351 El Toro Road, Laguna Woods, California**

Laguna Woods Village owners/residents are welcome to participate in all open meetings in-person and virtually. To submit comments or questions virtually for meetings, please use one of the following options:

1. Join the meeting via Zoom by clicking this link: <https://us06web.zoom.us/j/92081839160> or by calling 1-669-900-6833, Webinar ID: 92081839160.
2. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the meeting in the subject line of the email. Name and unit number must be included.

NOTICE OF MEETING AND AGENDA

This Meeting May Be Recorded

The purpose of this meeting is to review the budget for the Third Laguna Hills Mutual in accordance with *Civil Code §4930* and was hereby noticed in accordance with *Civil Code §4920*

1. Call meeting to order / Establish Quorum – Treasurer Andy Ginocchio
2. State Purpose of Meeting
3. Approval of Agenda
4. Chair Remarks
5. Open Forum (Three Minutes per Speaker)
6. Review of the 2024 Service Levels:
 - a. General Services – Robert Carroll
 - b. Landscape Services – Kurt Wiemann
 - c. Maintenance & Construction Services – Manuel Gomez
7. Director Comments
8. Adjournment

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION								
1	PLUMBING SERVICE	\$828,543	\$716,714	\$691,819	\$744,807	\$786,186	\$41,378	6%
2	CARPENTRY SERVICE	515,640	424,622	535,988	568,563	586,661	18,097	3%
3	PEST CONTROL	87,989	366,892	180,881	360,000	377,116	17,116	5%
4	FIRE PROTECTION	101,400	88,415	142,282	144,347	151,185	6,838	5%
5	ELECTRICAL SERVICE	107,651	126,478	16,030	115,140	104,443	(10,696)	(9%)
6	APPLIANCE REPAIRS	115,550	84,181	87,868	98,270	115,384	17,114	17%
7	MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	11,191	39,560	11,079	48,664	30,000	(18,664)	(38%)
8	SOLAR MAINTENANCE	23,981	14,348	23,539	35,000	36,000	1,000	3%
9	STREET LIGHT MAINTENANCE	0	0	0	17,000	17,000	0	0%
10	GUTTER CLEANING	29,988	0	0	0	0	0	0%
TOTAL		\$1,821,933	\$1,861,209	\$1,689,487	\$2,131,791	\$2,203,975	\$72,183	3%

Line 9 Funding for this Line was moved from Reserves to Operating in 2023.

Line 10 Funding for this Line is included in General Services under the Gutter Cleaning Line.

OPERATING FUND - GENERAL SERVICES

11	JANITORIAL SERVICE	\$963,848	\$979,609	\$969,445	\$949,851	\$904,120	(\$45,732)	(5%)
12	CONCRETE SERVICE	348,028	403,056	317,129	371,540	336,286	(35,254)	(9%)
13	GUTTER CLEANING	123,469	73,777	144,267	161,337	207,598	46,261	29%
14	WELDING	111,697	118,439	106,756	110,964	107,821	(3,143)	(3%)
15	TRAFFIC CONTROL	14,118	20,648	18,999	22,058	18,129	(3,930)	(18%)
TOTAL		\$1,561,161	\$1,595,528	\$1,556,596	\$1,615,751	\$1,573,953	(\$41,797)	(3%)

OPERATING FUND - LANDSCAPE

16	GROUNDS MAINTENANCE	\$3,035,110	\$3,071,234	\$3,337,817	\$3,308,668	\$3,685,393	\$376,725	11%
17	IRRIGATION	1,051,492	1,014,017	1,034,089	1,039,801	1,092,124	52,323	5%
18	PEST CONTROL	313,692	385,185	394,441	413,642	371,285	(42,357)	(10%)
19	LANDSCAPE ADMINISTRATION	145,024	316,948	340,320	358,085	393,940	\$35,856	10%
20	NURSERY & COMPOSTING	237,480	282,912	260,529	250,330	229,670	(20,660)	(8%)
21	SMALL EQUIPMENT REPAIR	206,371	233,039	233,928	208,268	235,451	27,184	13%
22	TREE MAINTENANCE	1,082	2,947	1,193	0	0	0	0%
TOTAL		\$4,990,251	\$5,306,282	\$5,602,317	\$5,578,793	\$6,007,864	\$429,071	8%

Line 23 Funding for this item moved to reserves in 2020.

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							\$	
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION								
23	BUILDING NUMBERS	\$0	\$14,088	\$0	\$0	\$0	\$0	0%
24	BUILDING STRUCTURES	1,404,870	2,091,312	1,809,120	2,054,840	2,300,426	245,586	12%
25	ELECTRICAL SYSTEMS	16,690	16,588	0	30,000	30,000	0	0%
26	ENERGY PROJECTS	923	0	0	0	0	0	0%
27	EXTERIOR LIGHTING	760,369	24,840	14,473	12,500	12,500	0	0%
28	FENCING	57,416	73,009	62,837	82,765	79,602	(3,163)	(4%)
29	GARDEN VILLA LOBBY	109,636	111,882	1,418	0	0	0	0%
30	GARDEN VILLA MAILROOM	32,510	300	285	431	562	131	30%
31	GARDEN VILLA RECESSED AREAS	65,016	0	0	0	0	0	0%
32	GARDEN VILLA REC ROOM	12,473	7,859	2,759	5,245	65,393	60,149	1147%
33	GUTTERS	134,135	(15,844)	29,973	113,127	126,486	13,359	12%
34	MAILBOXES	63,844	37,175	2,743	25,180	27,582	2,403	10%
35	PAINT PROGRAM	1,619,789	1,527,920	1,413,218	1,597,812	1,613,075	15,263	1%
36	PRIOR TO PAINT	915,496	1,024,160	1,042,713	1,167,546	1,222,353	54,806	5%
37	PAVING/CONCRETE	695,094	618,985	423,955	439,421	431,851	(7,570)	(2%)
38	ROOFS	1,429,531	1,341,440	1,403,246	1,468,968	1,684,823	215,855	15%
39	EXTERIOR WALLS	137,928	29,280	29,994	35,000	32,400	(2,600)	(7%)
40	WASTE LINE REMEDIATION	417,586	530,595	617,558	1,000,000	1,500,000	500,000	50%
41	WATER LINES - COPPER PIPE REMEDIATION	154,939	367,397	196,116	500,000	1,000,000	500,000	100%
42	PLUMBING REPLACEMENT	0	0	0	200,000	200,000	0	0%
43	ELEVATORS	115,890	151,170	89,872	125,000	125,000	0	0%
44	LAUNDRY COUNTERTOP/FLOOR	62,093	40,498	14,977	59,567	59,173	(394)	(1%)
45	LAUNDRY APPLIANCES	46,932	60,836	92,085	101,579	109,593	8,014	8%
TOTAL		\$8,253,160	\$8,053,489	\$7,247,341	\$9,018,981	\$10,620,819	\$1,601,839	18%
Line 24 Beginning in 2022 funding for this item is included in the Paint Program.								
RESERVE FUNDS - GENERAL SERVICES								
46	PRIOR TO PAINT	\$1,842	\$10,437	\$10,869	\$12,700	\$14,418	\$1,718	14%
47	PAVING/CONCRETE	65,491	68,284	69,114	64,253	82,343	18,090	28%
48	EXTERIOR WALLS	0	5,600	0	24,150	24,150	0	0%
TOTAL		\$67,333	\$84,321	\$79,983	\$101,103	\$120,911	\$19,808	20%
RESERVE FUNDS - LANDSCAPE								
49	LANDSCAPE MODERNIZATION	\$837,542	\$422,111	\$614,885	\$541,671	\$2,322,587	\$1,780,916	329%
50	IMPROVEMENT & RESTORATION	0	120,344	253,565	177,744	195,858	18,114	10%
51	TREE MAINTENANCE	830,447	843,160	965,034	899,814	980,188	80,374	9%
TOTAL		\$1,667,989	\$1,385,616	\$1,833,484	\$1,619,229	\$3,498,633	\$1,879,404	116%

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							\$	%
DISASTER FUND - MAINTENANCE & CONSTRUCTION								
52	MOISTURE INTRUSION - RAIN LEAKS	\$707,469	\$253,951	\$242,184	\$260,000	\$220,000	(\$40,000)	(15%)
53	MOISTURE INTRUSION - PLUMBING LEAKS	1,254,082	614,090	183,156	500,000	650,000	150,000	30%
54	MOISTURE INTRUSION - PLUMBING STOPPAGES	151,227	118,104	141,150	75,000	80,000	5,000	7%
55	MOISTURE INTRUSION - MISCELLANEOUS	146,221	14,507	49,599	14,000	50,000	36,000	257%
56	DAMAGE RESTORATION SERVICES	217,829	162,802	165,336	199,470	50,280	(149,190)	(75%)
TOTAL		\$2,476,828	\$1,163,454	\$781,424	\$1,048,470	\$1,050,280	\$1,810	0%
DISASTER FUND - LANDSCAPE								
57	FIRE RISK MANAGEMENT	\$106,597	\$83,108	\$86,577	\$180,000	\$180,000	\$0	0%
TOTAL		\$106,597	\$83,108	\$86,577	\$180,000	\$180,000	\$0	0%
DISASTER FUND - FINANCIAL SERVICES								
58	INSURANCE PREMIUMS	\$918,432	\$1,931,334	\$0	\$0	\$0	\$0	0%
TOTAL		\$918,432	\$1,931,334	\$0	\$0	\$0	\$0	0%
GARDEN VILLA REC ROOM FUND - MAINTENANCE & CONSTRUCTION								
59	GARDEN VILLA RECREATION ROOMS	\$71,247	\$70,118	\$82,796	\$93,642	\$97,502	\$3,860	4%
TOTAL		\$71,247	\$70,118	\$82,796	\$93,642	\$97,502	\$3,860	4%

THIRD LAGUNA HILLS MUTUAL 2024 OPERATING EXPENDITURES MAINTENANCE AND CONSTRUCTION

The General Maintenance Operating section covers the inspection, maintenance and repair of structures including, but not limited to, manor interiors, building exteriors, carports, laundries, balconies, railings and stairs. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

1) Plumbing Service

\$786,186

This item provides funding for the variety of plumbing services related to plumbing components that are the responsibility of the Mutual. The main categories of service include addressing various types of stoppages, leak investigation and remedial work related to plumbing leaks (in-wall, under-slab, etc.). Since 2015, plumbing technicians also perform drywall cuts to expedite repairs to in-wall leaks and pipe re-routes. The technicians are certified to handle the removal/abatement of drywall. This will allow, in most cases, a single visit by one department to a manor for the cutout and repair process. Service levels are based on historical averages of hours, materials, and outside services.

Underground leaks are addressed by certified contractors due to CAL OSHA shoring requirements and asbestos cement pipe (Transite) repair and abatement concerns. A contingency amount is included in the budget for such services.

2) Carpentry Service

\$586,661

This line item provides for response to service requests for carpentry and carpentry-related service work on the Mutual's buildings, carports and laundry facilities. Items addressed through Carpentry Services include, but are not limited to the following:

- Exterior and entry door repair
- Repair/replace entry locks
- Door weather stripping replacement
- Board-up windows/shore up sites
- Building cracks and stucco repair
- Acoustic ceiling repair
- Laundry room window repair
- Insect screen install/repair
- Cabinet repair
- Carport structure repair
- Carport cabinet repair
- Garage door repair
- Patio gate repair
- Vinyl and tile floor repairs
- Removal of bird/animal in wall
- Drywall/texture repair
- Mailbox door and lock repair
- Support scaffolding set-up
- Wall/ceiling insulation replacement

Budgeting for this item is essential to continue maintaining the high service level expected and to complete all necessary maintenance concerns requested by residents for the services described above in a timely manner. These repairs are performed by in-house staff and outside contractors.

3) Pest Control

\$377,116

A licensed pest control contractor provides the Mutual with pest control services for termite eradication and bee removal services. The budget is developed based on historical trends and the existence of termites as identified by the Mutual's pest control contractor. A staff inspector and a representative of the contractor conduct inspections in response to all reported evidence of live termites and upon request at the time a manor is resold. Based on the results of those inspections, a list of buildings requiring fumigation is compiled. Whenever possible, localized treatments of the infested areas will be performed for dry wood termites to minimize the fumigation requirements. Subterranean termites are also treated at the localized point of infestation.

The buildings listed for fumigation typically are scheduled for the following fiscal year and worked into the budget. Fumigation costs are based on a pre-determined contract value per building type. The current contract is with Newport Exterminating.

The projected costs are budgeted in five categories, Termite Inspection; Local Pest Control Treatments; Fumigation - Tenting; Fumigation - Landscaping (for plant removal); and Fumigation - Lodging. Although not required by the Davis-Stirling Act, Mutual policy is to provide lodging for two nights while the whole-structure fumigation is in process.

The lodging budget is based on the number of units contained in each of the buildings to be fumigated and a contracted rate in place with a local hotel.

The budget for whole structure tenting is based on a weighted average of each building type with costs applied to those buildings based on a pre-determined contract value per building type.

This approach is used to determine budgetary estimates for the Business Plan, as the full list of actual buildings that will require treatment are often not known until after the preparation of a given year's Business Plan.

4) Fire Protection

\$151,185

(A) Fire Alarm System Inspections for All Multi-story Buildings (Work Center 904)

This item addresses bi-annual fire alarm system inspections of 81 3-story buildings.

(B) Fire Extinguisher Service (Work Center 904)

This service, provided by an outside vendor, covers the annual inspection, maintenance and repair or replacement of the 1,300 fire extinguishers located throughout Third Laguna Hills

Mutual. This service includes: (1) inspection and replacement (as needed) of various components; (2) replacement of powders and gases; (3) hydrostatic testing when required; (4) proper tagging of fire extinguishers to indicate date of service and certification; (5) replacement of irreparable or missing extinguishers and extinguishers that must be replaced in accordance with Fire Authority regulations and (6) repair of extinguisher cabinet glass and other parts.

(C) Sprinkler System Service (Work Center 904)

This item is used to address the inspection and servicing of the fire suppression sprinkler systems in the trash chutes of three-story buildings. Sprinkler system service includes certified contractor quarterly inspection of all components of the system and implementation of identified repairs. All work is per NFPA 14 and California Title 19 fire regulations. Staff included funding based on contract pricing for quarterly inspections and provisions for repairs in 2024.

(D) Standpipe Testing (Work Center 904)

This item is used to address the inspection and repair of the Fire Standpipe Systems (Class I or II standpipe systems) in each of the 53 Garden Villa style buildings. NFPA requires semi-annual inspection of these systems. Additionally, NFPA requires flow testing/certification and fire hose pressure testing/certification by a qualified contractor on a five-year schedule or when repairs or use of the system results in the need for certification. The required five-year testing was last completed in 2019; and funding will be included for this work to be completed in 2024.

For the 2024 Business Plan, staff included funding for the required annual inspections and a contingency for as needed system repairs determined to be necessary during the inspection processes.

(E) Chimney Cleaning (Work Center 910)

Per Board direction, staff included funding for replacement of missing spark arrestors on original chimneys.

(F) Dryer Vent Cleaning (Work Center 910)

This item is used to address the cleaning of original dryer vent ducts in both laundry facilities and manors with original washer/dryer hookups throughout Third Laguna Hills Mutual. The dryer vents in the LH-21 buildings are cleaned every year.

5) Electrical Service

\$104,443

This item provides funding for the variety of electrical services related to electrical components that are the responsibility of the Mutual, which include the following:

- Repair/replace common area outlets
- Service common area circuit breaker
- Repair underground wiring
- Replace conduit and wiring
- Replace damaged doorbell light
- Replace main breaker
- Repair/replace common area lighting
- Replace common area light bulbs
- Perform miscellaneous service calls

6) Appliance Repairs

\$115,384

This item addresses repairs to the Mutual's laundry appliances. The Mutual maintains 455 high- efficiency laundry room washing machines. In 2019, the Mutual installed 373 high- efficiency commercial dryers in common area laundry rooms, and added laundry pedestals to most dryers in 3-story buildings. Based on a full dryer replacement, staff only provided a minimum budget to address items not covered under the manufacturer's warranty. Budgeting for this item is based on inventory changes for Maytag washing machines and historical trends.

7) Miscellaneous Repairs by Outside Services

\$30,000

This funding is used to address items that are typically repaired by outside contractors. This item also includes funding for other repairs that do not fit into one of the categories below.

As these items are emergent in nature, budgets are based on historical averages, trends and on planned program scopes of work.

(A) Broken Windows

Replacement of broken panes of glass in the Mutual's common area makes up the majority of this category. Also included in this item are repairs and replacements to window frames, weather stripping and hardware that are the responsibility of the Mutual.

(B) Phone Line Repairs

This item is used to address repairs associated with the Mutual's responsibility for providing one working phone line to each manor.

(C) Lead Paint Testing

In 2010, new EPA regulations went into effect requiring special procedures and handling when performing Renovation, Repair and Painting (RRP) of building components where lead-based paint is present. The presence of lead in paint must be determined before proceeding with work that qualifies under the regulations. Determination of the presence of lead paint must be performed by a Certified Lead Inspector/Risk Assessor. This budget is included to pay for the costs of lead testing performed by a Certified Lead Inspector/Risk Assessor on miscellaneous projects that will be completed by an outside service. Staff included an estimated provision for such testing and abatement.

(D) Miscellaneous

This item includes funding for other repairs that require outside services, but that do not fit into one of the above categories. A two-year average of miscellaneous costs was used as the basis for this category.

8) Solar Maintenance

\$36,000

This item provides for the Operation and Maintenance (O&M) services set forth below by an outside contractor in relation to the Third solar energy projects.

Daily:

- Real-time performance monitoring and alert triage
- Product warranty administration (creating/tracking/logging)
- 24/7 customer support

Annually:

- Inverter inspection, maintenance and thermal scans
- DC wiring and electrical equipment inspections, maintenance, thermal scans and performance testing (current at maximum power (IMP) & operating circuit voltage (VOC) on 100% of the strings
- Solar module inspection and thermal scans
- Array racking and component inspection and maintenance
- Inspection, cleaning and maintenance of meters and sensors
- Pyranometer calibration
- Removal of material within arrays and balance of system (BOS)
- Repairs and replacements as required
- Maintenance summary report
- 2x Annual Module cleaning/washing

9) Street Light Maintenance

\$17,000

Funding for this item was moved from Reserves to Operating for the 2023 fiscal year, to provide as needed maintenance services to the existing street light infrastructure and LED fixtures.

An outside contractor responds to reported street light outages and will perform repairs or replacements to poles and/or fixtures, as required.

10) Gutter Cleaning

\$0

Funding for this item is included in General Services under the Gutter Cleaning line.

**THIRD LAGUNA HILLS MUTUALS
2024 OPERATING EXPENDITURES
GENERAL SERVICES**

This section covers the inspection, maintenance and repair of breezeways and common areas for multi-story buildings, carports, laundry rooms, concrete, rain gutters, railing and stairs, and traffic control striping and signage. Primarily, these maintenance items are in response to resident service requests, although many items are planned program work.

11) Janitorial Services

\$904,120

Service levels provided in this category include scheduled janitorial services for breezeways and common areas of multi-story buildings, free-standing laundry buildings, and miscellaneous janitorial services in Mutual common areas and car port cleanings. Budgeting for this category is based on the following established service levels:

Description	Quantity	Times/Year	Hours/Visit
GV Buildings	53	50	3.5
LH-21 Buildings	28	50	2.5
Carport Cleaning	2,682	3	N/A
Laundry Rooms (stand-alone)	44	16	1.4

Multi Story Building Breezeways: As needed

Miscellaneous (Ticket Response): As needed

The Multi-Story Building Breezeways item includes hours for reactive wash downs, by staff to evaluate whether wash downs are required and will take corrective actions based on those investigations. There are 81 three-story buildings and 254 two-story buildings that may require periodic wash downs within the Mutual. Based on water shortages and increased water costs to offer periodic wash downs, the Mutual in recent years offers this service only on an as-requested basis.

12) Concrete Service

\$336,286

This line item addresses pro-active and resident requests for repair or replacement of concrete slabs, walkways and driveways. Concrete repairs include crack filling and grinding-down of walkways that have lifted. Replacement of concrete occurs when lifting exceeds the two-inch grinding capability. Repairs to block trash enclosures or laundry room walls are also addressed under this budget item.

13) Gutter Cleaning

\$207,598

This item provides for the cleaning of building rain gutters to ensure their proper function and drainage. The majority of the work is completed during the fourth quarter of the year.

The budget includes funding for an outside service to clean the gutters of multiple-story buildings once during the fourth quarter of the year. In-house staff will clean gutters of single-story buildings throughout the year on a scheduled and as-requested basis.

The leaf/debris removal program was implemented to remove debris, mostly leaves and pine

needles, from the roofs and patio covers prior to the winter season. This preventive measure serves to reduce the potential for water backups.

14) Welding

\$107,821

Welding services are utilized in the repair/replacement of railings, gates, fences, and the repair/replacement of steel step rails. Balcony welding that is required as the result of dry rot repairs discovered during prior to paint is also provided. This item includes work completed as requested by staff and residents through service requests to Resident Services. Historical averages and trends are used to develop budgetary estimates. A contingency amount for lead testing and abatement, required due to EPA lead handling regulations, is included.

15) Traffic Control

\$18,129

This line item addresses the installation and maintenance of devices required to facilitate traffic safety and circulation throughout the Community. This includes parking lot and street striping, red and yellow curb painting, and replacement of directional and vehicular control signage. Curb painting is based on a 5-year cycle of approximately 5,000 lineal feet per year.

**THIRD LAGUNA HILLS MUTUALS
2024 OPERATING EXPENDITURES
LANDSCAPE SERVICES**

16) Ground Maintenance

\$3,685,393

Grounds Maintenance work center crews perform the routine maintenance tasks. The cost of these Grounds Maintenance tasks are broken out below and include shrub bed maintenance, turf maintenance, miscellaneous tasks, and slope maintenance.

Shrub-Bed Maintenance

\$2,415,157

Components required for shrub-bed maintenance consist of all pruning, cleaning, weeding, mulching, re-planting, and edging of the planters around buildings. The shrub-bed maintenance cycle varies seasonally and is performed on 83 shrub-bed acres in Third. Beginning in 2020 the costs for small slope maintenance were included in shrub-beds due the tasks being concurrent.

The 2024 Shrub-Bed Maintenance Budget has increased by \$233,415, 11% over the 2023 Budget due to the following factors:

- Annual increase in wage rates
- Increase in agronomic costs (fertilizer, herbicides, etc.) due to inflation
- Allocation of hours from turf maintenance

Turf Maintenance

\$729,102

The turf maintenance responsibilities consist of 165 acres in Third Mutual. The mowing cycle schedules are adjusted seasonally throughout the year to respond to growing conditions.

The 2024 Turf Maintenance Budget has decreased by (\$38,740), (5%) from the 2023 Budget due to the following factors:

- Annual increase in wage rates
- Allocation of hours to turf maintenance

Miscellaneous Tasks

\$ 459,540

The Grounds Maintenance work center also perform various miscellaneous tasks, including general cleanup, storm response and monitoring, storm preparation, employee training, ticket response crews, preparation of areas for paint crew access, and preparation of exterior for building fumigation.

The 2024 Miscellaneous Tasks Budget has increased by \$178,349, 63% over the 2023 Budget due to the department focus on improving core services, including training and annual increase in wage rates.

Garden Villa Maintenance

\$81,595

The landscape maintenance performed at the Garden Villas consists of watering and pruning

Mutual owned container plants and raised planters. Replacement of plants is also performed when plants have died or overgrown the planter. Residents are responsible for maintaining their personal plants.

The 2024 Garden Villa Maintenance Budget has increased by \$3,701, 5% over the 2023 Budget due to the annual increase in wage rates and increased costs due to inflation.

17) Irrigation **\$1,092,124**

This is a support work center, providing irrigation support to other Landscape Maintenance sections. The irrigation work center oversees 5,683 watering zones throughout Third, controlled by 223 irrigation controllers. These controllers are managed by a central irrigation system through the use of cellular communication technologies. The system receives regular weather updates and automatically adjusts irrigation run times. The irrigation crew also maintains and cleans landscape drains throughout the Community on a regular basis.

The 2024 Irrigation Maintenance Budget has increased by \$52,323, or 5% from the 2023 Budget due annual increase in wage rates.

18) Pest Control **\$371,285**

This is a support work center, providing pest control support to other Landscape Maintenance Sections. Pest Control uses various methods to control a variety of landscape pests. Pests include; weeds, insects including wasps and bees (in landscaping), and rodents and other vertebrae.

The 2024 Pest Control Budget has decreased by (\$42,357), (10%) over the 2023 Budget due to reallocation of hours.

19) Landscape Administration **\$393,940**

Landscape Administration support is provided to the Mutual Boards and Committees at regularly scheduled meetings. Additionally, the administrative staff provides customer service, maintains databases, and prepares work efficiency reports and annual operating budgets. This task also includes supervisory personnel that oversee day to day operations. Other tasks not directly related to the daily operation of individual work centers are included in this budget.

The 2024 Administration Budget has increased by \$35,856, 10% over the 2023 Budget due to the annual increase in wage rates and inflation.

20) Nursery and Composting **\$229,670**

The Nursery work center supports other crews by growing and providing groundcover, shrubs and trees for use throughout the community for new and replanting tasks. By growing all the plants used by the crews on site, the costs of new and replacement plant material are greatly reduced.

The Composting work center supports other crews by using a tub grinder to recycle tree and shrub cuttings, into the mulch used throughout the community. By recycling the green waste

produced by the pruning within the Community, disposal costs are eliminated as well as the expense of purchasing mulch.

The 2024 Nursery and Composting Budget has decreased by (\$20,660) or (8%) from the 2023 Budget due to relocation of hours.

21) Small Equipment Repair

\$235,451

The Small Equipment Repair work center supports other crews by providing mower and small equipment maintenance, repair, and delivery. Supplies and materials used by crews to maintain lawns, slopes, and shrub beds are ordered and received through this department.

The 2024 Small Equipment Repair Budget has increased by \$27,184 or 13% over the 2023 Budget due annual; wage increase and inflation.

22) Tree Maintenance

\$0

Tree Maintenance is included in Reserves.

Resident Chargeable Services

\$0

In addition to routine maintenance, Grounds Maintenance crews also perform various services upon request. The cost of this service, for both labor and materials, is charged to the resident requesting service. Services that are considered chargeable include additional plantings, additional weeding, or pruning done out of cycle.

**THIRD LAGUNA HILLS MUTUAL
2024 RESERVE EXPENDITURES
MAINTENANCE AND CONSTRUCTION**

This section covers the inspection, maintenance and repair of structures including, but not limited to, manor interiors, building exteriors, carports, laundries, balconies, railings and stairs. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

23) Building Numbers

\$0

Third Laguna Hills Mutual is comprised of 1,405 buildings with 6,102 manors. This program was funded to replace building numbers throughout the Mutual to increase their visibility.

Funding for building address sign replacement was moved to the Paint Program budget as staff replaces building, carport and laundry room signs during the annual exterior paint program.

24) Building Structures

\$2,300,426

(A) Building Structures (Maint. Ops., Carpentry & Carport Panel Replacements)

This reserve component is designed to address building structures that are exhibiting deterioration. Staff will eradicate dry rot through a systematic and proactive approach utilizing an aggressive inspection process designed to address all buildings in Third including both architectural and structural components through outside services and in-house staff. This includes but is not limited to balcony replacements, wood balcony railing replacements, ramp replacements, walkway replacements, trellis structure replacements, beam replacements, window replacements, garage door replacements, carport panel replacements, Garden Villa Recreation Room kitchen and restroom flooring replacements, asbestos and lead abatement and testing, associated engineering cost and City building permit application and inspection fees. Replacements are qualified and generated on both a reactive and a proactive basis.

(B) Building Structures Replacements

This reserve component is designed to address building structures that are exhibiting deterioration and will be utilized on a contingency basis. It is assumed that full replacement of this component would never be required. The unit cost is a contingency estimate for a typical building structure repair.

(C) Building Structures Dry Rot

This reserve component is dedicated to eradicating dry rot through a systematic and proactive approach utilizing an aggressive inspection process. This process is designed to address all building types within the Mutual including architectural and structural components.

(D) Parapet Wall Removals

This reserve component is to address moisture intrusion problems on the Villa Paraisa and

Casa Grande style buildings by removing and replacing the parapet wall design with a sloped roof.

During the 2022 Business Planning Meeting, the Third Board voted that the budget for this component be deferred, and resumed at a later date. There are 14 buildings that still require parapet wall removal. Once this program starts up again, 5 buildings will be completed each year, over a 3-year period.

(E) Foundations

This reserve component is dedicated to foundation repairs most often due to soil erosion and settlement. Although the unit cost will vary, it is a contingency estimate for typical foundation repairs.

(F) Building Rehab/Dry Rot

This reserve component is designed to address building structural that are exhibiting deterioration and to eradicate dry rot identified by Members through service requests or during the course of other maintenance activities in Third to include minor replacement of wood members, such as fascia boards, shear panel repair, wood stud replacement, stucco repair, T-111/Hardi siding replacement, rafter tail replacements, exterior crown molding replacement, and red wood siding/trim replacement.

As part of the 2024 fiscal budget, staff will proactively assess buildings for drainage deficiencies that could lead to building settlement and will implement the necessary repairs.

(G) Balcony Inspections

Senate Bill 326 states that a statistically significant sample of all of the Mutual's exterior elevated elements is to be inspected once every 9 years. VMS will be contracting with a licensed structural engineer or architect to inspect a percentage of the Mutual's exterior elevated elements, for which the Mutual has maintenance or repair responsibility. The first inspection shall be completed by January 1, 2025, and then every nine years thereafter in coordination with the reserve study inspection pursuant to Section 5550. A report will be generated from the inspections and shall include detailed information on the condition of each inspected element; expected future performance; remaining useful life; and any repair/replacement recommendations. During the 2022 Business Planning Meeting, the Third Board voted that the budget for inspections related to SB326 be deferred in 2022; inspections were resumed in 2023.

(H) Damage Restoration

This reserve component is for reconstruction of manors/buildings resulting from rain leaks, plumbing leaks, plumbing stoppages, other moisture intrusion events, fires and other disasters.

During the 2021 Business Planning meeting, the Board decided to move half of the funding from the Disaster Fund to the Reserve/Replacement fund for expenditures that were dedicated to rebuilding damaged units after a moisture intrusion event (i.e. drywall replacement).

Finance performed an analysis of invoices paid in the first quarter of 2020 and discovered that approximately half of the invoices qualified to be reclassified to the Replacement Fund, based

on the work completed by the Mutual's outside contractors. A similar analysis has been conducted to determine budgets for future years. Since 2022, costs for damage to Mutual property exceeding \$100K have been submitted to the Mutual's insurance company.

During the 2021 Business Planning meeting, the Board moved half of the funding from the Disaster Fund to the Reserve/Replacement fund for expenditures that were dedicated to rebuild damaged units after a moisture intrusion event, fire or other disaster.

25) Electrical Systems **\$30,000**

(A) Electrical Systems – Panel Replacements

This reserve component is funded to address electrical panel maintenance and includes contingency funding for panel failures and the replacement of electrical components, as necessary.

(B) Electrical Systems – Alternate Heat Source (Heat Pump & Wall Heaters)

Third Mutual is responsible for providing a heat source in the bedroom and living/dining room areas of its manors. At the time of original construction, the provided heat source was in-ceiling radiant heat systems. If an original in-ceiling radiant heat system fails or requires replacement as the result of some maintenance activity, the Mutual must provide a replacement heat source. The Mutual replaces failed heat systems with an appropriate and cost-effective type unit for the room being heated, such as placing a wall heater in the bedroom and a through-the-wall heat pump in the living room and dining room. The type of unit used is contingent on several factors, the most important being the BTU's required to heat the area being heated.

The budget allows for 3 heat pumps and 3 wall heaters to be replaced each year if necessary.

26) Energy Projects **\$0**

During a 2020 Business Planning Meeting, the Board decided that they would fund energy projects as necessary, instead of adding a contingency amount to each fiscal budget.

27) Exterior Lighting **\$12,500**

Funding in this program provides for lighting upgrades throughout the community.

Contingency funding is also included for a walkway lighting consultant as well as any needed repairs to common area lighting performed by in-house staff.

28) Fencing **\$79,602**

Third has approximately 13 miles or 70,000 linear feet of decorative wooden split rail fencing throughout its property. The Mutual uses wooden split rail fencing as an inexpensive way to create decorative boundaries between buildings, as well as define sloped areas.

Staff currently replaces rotted split rail fencing on an as-needed basis. The 2024 budget is based on an increase in material costs.

29) Garden Villa Lobby

\$0

This reserve component addresses the renovation of the lobby areas of the Mutual's Garden Villa-style buildings, which is performed on a program basis. The lobby ceilings, walls, and floor coverings are inspected annually and those in the poorest condition, receive the highest priority for renovation. Member requests for lobby improvements are also considered during the evaluation process each year.

The final lobby in this program cycle was completed in 2022. The next renovations will occur in 2026.

30) Garden Villa Mailroom

\$562

This reserve component addresses the renovation of mailrooms in the Mutual's Garden Villa style buildings. The renovation cycle was completed in 2020 and will resume in 2026. The 2024 funding is a contingency for touch-up painting of the mailroom walls.

31) Garden Villa Recessed Areas

\$0

This reserve component addresses the green synthetic, outdoor carpet replacement of the recessed areas of the Mutual's Garden Villa style buildings, which is performed on a program basis. The scope of work includes water testing, removal of the indoor/outdoor carpet in recessed areas, crack repairs to the concrete slab, application of waterproofing sealant (where applicable), application of waterproof barrier and liner at planter boxes (where applicable), and installation of new carpet. During the 2022 Business Planning Meeting, the Third Board voted that the budget for maintenance to the Garden Villa recessed areas be deferred in 2022 and be resumed at a later date.

32) Garden Villa Rec Room

\$65,393

(A) Water Heaters

There are 53 Garden Villa Recreation Room water heaters in the Mutual. Replacement of the water heaters is implemented proactively at the end of their 10-year serviceable life.

(B) Heat Pumps

Replacement of the heat pumps is based on an annual inspection with consideration to the unit's expected lifecycle, maintenance and repair history, age and its overall condition, or upon failure.

(C) Window Replacements

33) Gutters

\$126,486

This reserve component is designed to address repairs and replacements of original construction building rain gutter and downspout systems on all of the Mutual's buildings that are exhibiting deterioration, as well as new installations where gutters were not originally located.

(A) Gutter Repairs

The gutter systems are constructed of galvanized metal pieces joined together in ten-foot-long sections or less. Typically, original gutter systems fail at the joints and corrode, which result in leaks. The funding for this program is reactive and based on resident requests.

(B) Gutter Replacement

This reserve item is designed to address the replacement of failing, original rain gutter sections, and downspout systems on all of the Mutual's buildings.

(C) New Gutter Installation

Beginning in 2020, \$50,000 was added to the annual budget for new gutter installations in order to address drainage issues and to prevent foundation erosion in conjunction with buildings on the exterior paint program.

34) Mailboxes

\$27,582

Third has approximately 6,102 individual mailboxes. The pedestal mailboxes at all the LH-21 buildings have been replaced.

Cluster mailboxes inset on the exterior walls of one- and two-story buildings are deteriorating and are no longer compliant to USPS standards. Each cluster mailbox will house up to 4, 8 or 12 units.

Mailbox clusters will be replaced each year until all are compliant with USPS standards.

35) Paint Program

\$1,613,075

During the 2021 Business Planning Meeting, the Board elected to change the exterior paint program from a 10-year to a 15-year paint cycle for the 16,495,970 square feet of exterior building surfaces. All exterior components of each building are to be painted every 15 years. The building components painted include the body, (stucco and/or siding) and the trim (fascia boards, beams, overhangs, doors, closed soffits and structural and ornamental metal surfaces).

Deck top coat resurfacing, replacement of reflective address building numbers, lead testing and Lead RRP (Renovation, Repair and Painting) activities are performed in conjunction with the program. Non-wood alternatives are used where possible.

Funding also includes interior and exterior touch-up painting which was moved from Operating to Reserves in 2019.

Planned expenditures are based on the square footage of the buildings scheduled for that fiscal year.

(A) PTP

The reserve component for prior-to-paint repairs will prepare building surfaces for painting. This work is performed by outside contractors and in-house staff and includes structural and non-structural repairs; mitigation of dry rot; balcony and breezeway decking repairs which are performed every 15 years in conjunction with the exterior paint program.

(B) Top Coat Resurfacing

The elevated balcony and breezeway deck surfaces are inspected and repaired every 7.5 years, which is mid-way between the 15-year exterior paint cycle. This reserve component is designed to provide a waterproof top coat sealant to those elevated surfaces.

Planned expenditures are based on the square footage of the buildings scheduled for that fiscal year.

Funding also includes costs related to asbestos and lead testing with the abatement of dry rotted components.

37) Paving/Concrete**\$431,851**

(A) Parkway Concrete

Each year staff inspects the Mutual sidewalks to receive paving work for potential tripping hazards, and areas are identified for replacement. This helps to eliminate the long waiting periods for concrete repairs that are addressed by the General Services Department. Staff also identifies all damaged drainage gutters in the area and includes their replacement cost in this budget item. This program works in conjunction with the current paving program. During the 2022 Business Planning Meeting, the Third Board voted that the budget for this component be deferred in 2022 and resumed at a later date.

(B) Asphalt Repairs

As part of the Mutual's asphalt repaving program, each year all asphalt pavement in the community is inspected and rated for wear. When the pavement rating justifies replacement, the work is budgeted for the upcoming year. For the purpose of reserve planning, an estimated life of 25 years is used.

(C) Seal Coat

The application of a seal coat over asphalt is necessary to extend the useful life of pavement. Asphalt receives a seal coat 5 years after paving and also on a continuous 7-year cycle thereafter. This type of preventive maintenance is considered the most efficient and cost-effective method of extending the serviceable life of asphalt paving.

(D) Golf Cart Parking & Striping

During the 2018 Business Planning meeting, staff was directed to consider additional

opportunities to create golf cart parking in areas where landscaping has declined or is absent, and a pilot program was completed in Gate 14.

The Board directed staff to budget \$50,000 each year to create 20 additional parking spaces with the understanding there may not be available open space to create 20 parking spaces each year.

During the 2022 Business Planning Meeting, the Third Board voted that the budget for this component be cancelled until further notice.

38) Roofs

\$1,684,823

(A) Roofs Preventive Maintenance

The Built-up Roof (BUR) Maintenance Program is intended to extend the serviceable life of existing BUR roofs by three to five years, for a total serviceable life of 18-20 years. The program emphasizes aggressive repair and maintenance on BUR roofs at 5-year intervals.

The current roofing contract provides for the 5-year preventive maintenance of each roof system at no cost to the Mutual. The 10-year preventive maintenance program for 2024 includes those built-up roofs that were replaced in 2014.

(B) Roofs Built-Up – PVC Cool Roof

The Built-Up Roofing (“BUR”) Replacement Program is designed to identify and replace BUR systems that have reached their serviceable life, with PVC Cool Roofs, which have a serviceable life of 25 years. All roofs 15 years of age and older are visually inspected and a query of all reported rain leaks for the subject buildings is generated.

The roofs are ranked by condition and those with the worst overall performance are slated for replacement. Therefore, not all BURs are replaced upon expiration of their anticipated serviceable life.

(C) Roofs Lightweight Tile (LWT) to Comp Shingle

In 1990, buildings with wood shake roof systems were re-roofed with Lightweight Tile (LWT) to eliminate the potential fire hazard of the wood shake roof. (377 buildings, totaling 1,438,052 square feet).

On May 6, 2019 (during the 2020 Business Planning Meeting), staff was directed to include funding for lightweight tile roof replacements. LWT roofs have required significant maintenance since 2010 and are considered to be failing.

In 2020, the LWT roofs began to be re-roofed with Composition Shingles. Staff recommended a 15-year phased plan starting in 2020 to replace the LWT with Comp Shingles.

39) Exterior Walls

\$32,400

Barbed wire is no longer a city-approved material for wall security. In 2017, the City of Laguna Woods passed a resolution to include Shepherd’s Crook as an acceptable replacement to the

existing barbed wire. Beginning in 2020, expenditures included the cost of clearing and grubbing.

The Village is required by the Condition Use Permit (CUP) to complete at least 900 lineal feet per year. At the Board's request funding for this work be removed until further notice.

40) Waste Line Remediation **\$1,500,000**

In 2006, the Board established a reserve line item for waste lines. The program provides for the evaluation of waste lines and the establishment and implementation of a strategy for replacement. Lining the underground and under slab pipe is possible with a liner and epoxy resin product. The program was expanded to include interior pipes in 2017.

Staff uses a combination of a reactive and proactive approach for the repair of waste lines. Reactively staff addresses backups as they arise and proactively all lines in the adjacent units are epoxy lined.

41) Water Lines – Copper Pipe Remediation **\$1,000,000**

In 2006, the Board established a reserve line item for copper water lines. This budget item funds the epoxy lining of failed copper water supply lines in the Mutual. Buildings are selected as candidates for epoxy-lining based on a leak criterion, and the frequency of leaks in a given building. Staff tracks leaks associated with the copper lines, and criteria-based calculations are made to identify the qualified buildings.

The program is reactive as well as proactive. When a manor meets the epoxy-lining criteria, the entire building where the manor is located is epoxy-lined.

Staff is currently using the approved leak rate ratio of two leaks in a three-year period or manors with one leak equating to 1/3 of the total number of manors in a building to qualify a building for remediation.

42) Plumbing Replacement **\$200,000**

Pressure Regulators: The Board voted to allocate \$200,000 per year for pressure regulator installation/replacements for the (General) Plumbing Replacement Reserve Funds (RPF) beginning in 2023. Plumbing staff will install pressure regulators to reduce the high pressure found at manors measuring over 80psi at Third Mutual buildings. The cost of the pressure regulator depends on size, ranging from 3/4" to 2", and will be installed/replaced on an as-needed basis.

43) Elevators **\$125,000**

The Elevator Replacement Fund provides funding for component replacement and interior cab upgrades to the 82 passenger elevators in the Mutual. Elevator flooring replacement expenditures are a contingency and will only be replaced as needed.

(A) Countertops

The laundry facilities in Third are comprised of 81 three-story buildings with three laundry rooms each and 44 freestanding laundry rooms. The three-story building laundry rooms have one folding table that will be replaced with a wall mounted countertop. The free-standing laundry rooms have four wall mounted countertops and are treated as one component for reserve purposes. The current replacement policy is reactive and countertops are replaced upon failure or non-reparability.

Estimated Life = 20 Years. Planned expenditures are based on the historical replacement quantities, anticipated useful life, and current estimated cost, plus inflation.

(B) Flooring

There are three laundry facilities, one on each floor, of Third 81 three-story buildings for a total of 243. Each of these laundry facilities has sheet vinyl floor covering. The Laundry Room Flooring Program allows the existing vinyl flooring to be professionally removed by an abatement contractor, staff then applies an epoxy floor coating over the entire surface.

Estimated Life = 25 years. Planned expenditures are based on the historical replacement quantities, anticipated life, and current estimated costs, plus inflation.

45) Laundry Appliances**\$109,593**

(A) Water Heaters

There are 125 laundry room water heaters in the Mutual. The Mutual's policy is to replace all water heaters in their 10th year of life. Planned expenditures are based on the anticipated useful life and current estimated cost of materials and labor plus inflation.

(B) Dryers

The Board approved the replacement of all existing residential dryers with commercial, coin operated machines. The level of the machines was raised by placing them on pedestals for easier use. Per Board directive, the number of dryers in stand-alone laundry facilities was reduced to 2 units. This was achieved when all dryers were replaced in 2019.

(C) Washers

There are 455 washers in the Mutual's laundry facilities. The current replacement policy is reactive and washers are currently replaced upon failure or non-reparability.

Per Board directive, the number of washers in the laundry facilities was to be reduced over time by removing faulty washers, and not replacing them in low-utilization locations.

**THIRD LAGUNA HILLS MUTUAL
2024 RESERVE EXPENDITURES
GENERAL SERVICES**

This section covers the inspection, maintenance and repair of metal work (prior to paint), paving and concrete, and repair to common area and perimeter walls. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

46) Prior to Paint **\$14,418**

The Mutual has a 15-year full exterior paint program. This budget item includes a contingency for railing, stairway metal work, balcony railing, and other welding repairs on the buildings scheduled for the 2024 exterior paint program.

47) Paving/Concrete **\$82,343**

Funding provided in this section is used to fund general asphalt repair work, excavation related to mainline repair, and crack filling work that is completed in conjunction with Maintenance and Construction's planned slurry seal program.

48) Exterior Walls **\$24,150**

This is a contingency for both perimeter and common wall replacements.

Funding is provided in this item to address common area walls, as well as the Mutual's perimeter walls. A contingency amount is included to address the repair or replacement of damaged common walls. This program assumes that an average of 1% of the walls would require repair every year.

(A) Common Area

This budget line item was transferred from the Maintenance & Construction Department in 2020 and provides contingency funding for repairs to the common interior walls in the Mutual. This program addresses the need to provide common wall repair or replacement throughout the community.

(B) Perimeter

Third Laguna Hills Mutual utilizes perimeter walls to provide physical security. The majorities of the walls were built over 35 years ago, and is typically made of concrete block. In addition to providing security to the community, this program replaces walls due to damage or deterioration.

**THIRD LAGUNA HILLS MUTUAL
2024 RESERVE EXPENDITURES
LANDSCAPE**

49) Landscape Modernization

\$2,322,587

Landscape renovation and modernization programs are included in the Landscape Modification budget and are designed to address specific areas of concern, as determined by collaboration between Staff and the Landscape Committee. These projects are funded through the Replacement Fund. Each program requires varying levels of time and materials, depending upon the site(s) and project(s) selected to be completed each year. This budgeted item also includes slope renovation. This includes landscaping for prior to paint, which is a new function beginning in 2024, which will be renovating the shrub beds and portions of turf adjacent to the buildings scheduled for painting by the paint work center throughout Laguna Woods Village.

The 2024 Landscape Modernization Budget has increased by \$1,780,916 or 329% from the 2023 Budget due to the addition of the new landscaping prior to paint function mentioned above.

50) Improvement and Restoration

\$195,858

The landscape in the Community is aging and in much of it is passed its useful life. The Improvement and Restoration work center replaces aging and dead plantings as well as re-landscaping areas that are difficult to maintain and irrigate. The work center also replaces standard plant material with drought tolerant water-saving plants. Additionally, this work center performs turf reduction projects, removing difficult to irrigate sections and maintain sections of turf and replacing them with attractive and functional drought tolerant plantings.

The 2024 Improvement and Restoration Budget has increased by \$18,114 or 10% due to annual wage rates and inflation.

Third and United are splitting the overall turf reduction costs.

51) Tree Maintenance

\$980,188

Tree Maintenance crews, supplemented by contractors, perform routine tree trimming on approximately 29,000 trees within the Community. The service level is on a five- year rotating cycle based upon the specific trimming needs of each tree species. All pruning is performed in accordance with International Society of Arboriculture pruning techniques. The tree inventory is maintained using the Arbor Pro program. Starting in 2020, staff was supplemented by outside services to complete the scheduled maintenance cycle.

The 2024 Tree Maintenance Budget has increased by \$80,374 or 9% from the 2023 Budget due to annual wage rates and inflation.

**THIRD LAGUNA HILLS MUTUAL
2024 DISASTER EXPENDITURES
MAINTENANCE AND CONSTRUCTION**

This was one of the first funds established for the Mutual to reserve for contingencies and uninsured damages. The purpose of this fund is to provide for emergency expenditures or catastrophic damages not covered by insurance, including insurance policy deductible amounts. Also, possibly for write-offs of uncollectible accounts according to original definition of the General Operating Fund. In the 2009 Business Plan, this fund was renamed from the General Operating Fund to the Disaster Fund to better convey its purpose. This fund is not required by Civil Code and is therefore excluded from reserve plan calculations.

52) Moisture Intrusion – Rain Leaks

\$220,000

This line item funds restoration (dry down, environmental testing, abatement & misc. repairs) of manors due to roof leaks, deteriorated roof membranes, roof flashing/connections, windows, stucco walls, atrium back-ups, gutter systems, rain flooding, skylights (non-alteration), and vents, that may cause damage to the Mutual's asset and require repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

53) Moisture Intrusion – Plumbing Leaks

\$650,000

This line item funds restoration (dry down, environmental testing, abatement & misc. repairs) of manors due to plumbing leaks from the under-slab, in-wall, supply line, and drain line, that may cause damage to the Mutual's asset and require repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

54) Moisture Intrusion – Plumbing Stoppages

\$80,000

This line item funds restoration (dry down, environmental testing, abatement & misc. repairs) of manors due to plumbing stoppages from main lines, internal lines, toilets, sink and basins that may cause damage to the Mutual's asset and require repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

55) Moisture Intrusion – Miscellaneous

\$50,000

This line item funds restoration (dry down, environmental testing, abatement & misc. repairs) of units with miscellaneous moisture intrusion from tub/shower enclosures, cracked tile, missing grout, humidity, irrigation, loose sink/countertop connections, common area washing machines, foundations, window condensation, and mold, that may cause damage to the Mutual's asset and

Require repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

56) Damage Restoration Services

\$50,280

This line item funds the emergency repairs due to damage from structure fires and vehicle accidents.

If replacements are needed, those items will be funded from the Replacement/Reserve fund. Funding levels for this category are based on historic averages.

Part of this expenditure is reimbursed to the Mutual through hearings that review the circumstances of the moisture intrusion event in order to determine if the member should be held responsible for costs associated with the restoration.

**THIRD LAGUNA HILLS MUTUAL
2024 DISASTER EXPENDITURES
LANDSCAPE**

57)	Fire Risk Management	\$180,000
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This line item funds the Orange County Fire Authority mandated vegetation management to provide adequate defensible space on perimeter land adjacent to open space and on interior slopes per OCFA guidelines and maps.

The proposed 2024 budget is equal to the 2023 amount budgeted.

For 2024, the staff recommends \$180,000 for Fire Risk Management.

58)	Insurance Premiums	\$0
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Insurance premiums will be paid out of operating funds.

**THIRD LAGUNA HILLS MUTUAL
2024 GARDEN VILLA REC ROOM EXPENDITURES
MAINTENANCE AND CONSTRUCTION**

59)	Garden Villa Recreation Rooms	\$97,502
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The Replacement Reserve-Villa Furnishings Fund was established in 1975 for the replacement of furnishings in the Villa buildings. Several policy changes were made through the years regarding the fund name and usage. On September 19, 1995, the Board of Directors adopted Resolution M3-95-82 approving a fund name of Garden Villa Recreation Room Fund.

The purpose of this fund is to provide for all expenditures in the recreation rooms of Garden Villa buildings (repairs, replacements and preventive maintenance), other than janitorial services.

On June 16, 2009 the Board directed that water heater and heat pump components previously paid from this fund will be paid from the Replacement Fund.



Village Management Services, Inc.

Department Review

March 27, 2024

Department Review Purpose

The purpose of today's meeting is to provide a 2024 baseline of what services are budgeted in each department. All future budget meetings will include a comparison to 2024 budgets.

Department Review Overview

Each Department Head will present services included in the programs report, including:

- Programs, by Fund
- An explanation of what services are provided
- 2025 Budget considerations
- Answers to questions posed by those in attendance

Budgeting in Laguna Woods Village

- Budgets directly impact monthly assessments
- Budgeting is an interactive, transparent process that begins in March and concludes with Business Plan adoption in September
- The Business Planning process includes plans for Operating, Reserve, and Restricted funds.

Budget Development Process

- March 2024:
 - Departments present current year service levels to Boards during workshop meetings and budget considerations for 2025
- March/April 2024
 - Department heads review staffing levels with executive management to determine:
 - Vacant positions that can be eliminated
 - Reasonable 2025 staffing levels based on:
 - Efficiencies and process adjustments
 - Inherent turnover in current job market

Budget Development Process

- April/May 2024:
 - Capital requirements determined
 - Department heads develop preliminary operating budgets
- May/June 2024:
 - Executive management reviews budgets and may recommend changes
 - Landscape, General Services, and Maintenance & Construction review for United and Third
 - Version 1 of GRF operating department review
 - Version 1 of capital review

Budget Development Process

- July 2024:
 - Version 2 of the 2025 Business Plan is presented at special open board meetings
- August 2024:
 - Version 3 of the 2025 Business Plan will be presented at the televised special board meeting
- September 2024:
 - Adoption of the 2025 Business Plan
- November 2024:
 - Personalized assessment letters are mailed to each manor



Village Management Services, Inc.

DESCRIPTION	GRF Board	United Board	Third Board
Review of Existing (2024) Service Levels			
Department Workshops	Wed Mar 13 9:30 A.M.		
Landscape, Maintenance, and General Services Review		Mon Mar 25 9:30 A.M.	Wed Mar 27 1:30 P.M.
Internal Review			
Reserves / Capital	April / May		
Version 1			
Capital Review	Wed May 15 1:30 P.M.		
Operating Department Review	Wed May 29 1:30 P.M.		
Maintenance & General Services Review		Thu May 23 1:30 P.M.	Thu May 23 9:30 A.M.
Landscape Review		Mon Jun 3 9:30 A.M.	Mon Jun 3 1:30 P.M.
Capital Or Operating Review (if necessary)	Mon Jun 17 1:30 P.M.		
Version 2			
Business Plan Preparation	Deadline for Changes June 24, 2024 Issue Agendas Wednesday July 3, 2024		
Business Plan Review	Wed Jul 10 1:30 P.M.	Wed Jul 17 1:30 P.M.	Mon Jul 15 9:30 am
Version 3			
Business Plan Preparation	Deadline for Changes July 24, 2024 Issue Agendas Thursday August 1, 2024		
Business Plan Review (Televised)	Mon Aug 5 9:30 A.M.	Mon Aug 12 1:30 P.M.	Mon Aug 19 1:30 P.M.
Proposed Final			
Business Plan Adoption	Tue Sept 3 9:30 A.M.	Tue Sept 10 9:30 A.M.	Tue Sept 17 9:30 A.M.

Department Budget Review General Services

March 27, 2024

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
OPERATING FUND - GENERAL SERVICES								
11	JANITORIAL SERVICE	\$963,848	\$979,609	\$969,445	\$949,851	\$904,120	(\$45,732) ✓	(5%)
12	CONCRETE SERVICE	348,028	403,056 ✓	317,129	371,540 ✓	336,286	(35,254) ✓	(9%)
13	GUTTER CLEANING	123,469	73,777 ✓	144,267	161,337	207,598	46,261	29%
14	WELDING	111,697	118,439 ✓	106,756	110,964	107,821	(3,143)	(3%)
15	TRAFFIC CONTROL	14,118	20,648 ✓	18,999	22,058	18,129	(3,930)	(18%)
TOTAL		\$1,561,161	\$1,595,528	\$1,556,596	\$1,615,751	\$1,573,953	(\$41,797) ✓	(3%)

Janitorial Services - \$904,120

Budgeting for WC 935 is based on established service levels:

Description	Quantity	Times/Year
GV buildings	53	52
LH-21 buildings	28	52
Laundry rooms	43	17
Laundry restrooms	22	52

- Two-story building breezeways and misc. tickets as requested
- Programs include carports three times/year; water boiler rooms, trash enclosures once/year

Concrete Service - \$336,286

- Funding for repair and/or replacement of concrete slabs, walkways and driveways
- Concrete repairs include crack-filling and grinding of walkways that have lifted one-half inch or more
- Concrete replacement occurs when lifting exceeds two-inch grinding capability
- Concrete replacement may also occur when water pooling exceeds one-half inch without draining, or when cracks or damage create inadequate load-bearing capacity

Concrete Service (Cont.)

Description	Tickets
Concrete Repair/Replaced	258
Masonry Work	29
Storm Drains Cleared	10
Concrete Grinding Completed	55
Paving Misc. Service	25

Gutter Cleaning - \$207,598

- Provides for cleaning of building rain gutters to ensure proper function, drainage
- Reduces potential for structural water damage
- Includes cleaning of gutters on single, multistory buildings
- Majority of work completed during fourth quarter of year
- Rain gutter cleaning schedule has been developed for 2024

Gutter Cleaning (Cont.)

Description	Units
Single Story	894
Multistory	337
Patio Covers	1,471

Welding - \$107,821

- Install or repair railings, gates, fences and other items
- Includes work requested by staff and residents through Resident Services
- Includes contingency amount for lead testing and abatement, required due to EPA lead-handling regulations
- WC936 receives approximately 110 welding tickets per year for Third

Traffic Control - \$18,129

Addresses installation and maintenance of devices used to facilitate traffic safety and circulation, including:

- Replacing directional and vehicular control signage
- Parking lot and street striping
- Painting red curbs: Program includes approximately 5,000 lineal feet per year throughout community

Description	Tickets
Signage Repaired or Replaced	44
Traffic Control Work Completed	12

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
RESERVE FUNDS - GENERAL SERVICES								
46	PRIOR TO PAINT	\$1,842	\$10,437	\$10,869	\$12,700	\$14,418	\$1,718	14%
47	PAVING/CONCRETE	65,491	68,284	69,114	64,253	82,343	18,090	28%
48	EXTERIOR WALLS	0	5,600	0	24,150	24,150	0	0%
TOTAL		\$67,333	\$84,321	\$79,983	\$101,103	\$120,911	\$19,808	20%

Prior to Paint, Welding - \$14,418

- Mutual has a 15-year full exterior paint program
- Includes funding for balcony railing, stairway and other welding repairs on buildings scheduled for the 2024 exterior paint program
- WC936 will need to address metal issues in approximately 15% of buildings

Paving/Concrete - \$82,343

- General asphalt repair work
- Excavation related to mainline repair
- Crack-filling work is completed in conjunction with Maintenance and Construction Department's planned slurry seal program

Walls - \$24,150

- Contingency amount included for repair or replacement of damaged walls
- Addresses common-area and perimeter walls
- Approximately two to five incidents per year community-wide



Questions

Department Budget Review Landscaping - Third Mutual

March 27, 2024

Service Levels

All-corporations landscaping services, including, but not limited to:

- Administration (WC 500)
- Improvements & Restoration (WC 510)
- Nursery & Composting (WC 511)
- Grounds Maintenance (WC 530):
 - Shrub-bed, slope and turf maintenance; miscellaneous tasks (general and storm cleanup, tickets) and Garden Villas
- Irrigation (WC 540)
- Small Equipment Repair (WC 550)
- Pest Control (WC 560)
- Tree Maintenance (WC 570)

Operating Fund



Village Management Services, Inc.

THIRD LAGUNA HILLS MUTUAL 2024 PLAN PROGRAMS REPORT

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
OPERATING FUND - LANDSCAPE								
16	GROUNDS MAINTENANCE	\$3,035,110	\$3,071,234	\$3,337,817	\$3,308,668	\$3,685,393	\$376,725	11%
17	IRRIGATION	1,051,492	1,014,017	1,034,089	1,039,801	1,092,124	52,323	5%
18	PEST CONTROL	313,692	385,185	394,441	413,642	371,285	(42,357)	(10%)
19	LANDSCAPE ADMINISTRATION	145,024	316,948	340,320	358,085	393,940	\$35,856	10%
20	NURSERY & COMPOSTING	237,480	282,912	260,529	250,330	229,670	(20,660)	(8%)
21	SMALL EQUIPMENT REPAIR	206,371	233,039	233,928	208,268	235,451	27,184	13%
22	TREE MAINTENANCE	1,082	2,947	1,193	0	0	0	0%
TOTAL		\$4,990,251	\$5,306,282	\$5,602,317	\$5,578,793	\$6,007,864	\$429,071	8%

Line 23 Funding for this item moved to reserves in 2020.

Landscaping Administration (WC500)

- Provides support to mutual boards and committees at regularly scheduled meetings
- Provides customer service, maintains databases, prepares work efficiency reports and annual operating budgets
- Includes all administrative, management and supervisory positions
- 2024 administration budget increased \$35,856, or 10%, from 2023 budget due to annual increase in wage rates and inflation

Nursery and Composting (WC 511)

- 2024 budget decreased (\$20,660), or (8%), from 2023 budget due to staff reallocation
- Nursery grows shrubs and groundcover for new planting and replanting throughout community to greatly reduce replacement plant costs
- Average plant costs for the nursery for Third is \$4.54 per plant, \$5 less than average for commercial nurseries
- Using a 600 hp tub grinder, composting work center recycles green waste from operations into mulch used throughout community
- Green waste processing, disposal and mulch costs are reduced by \$1,270,395 annually

Grounds Maintenance (WC 530)

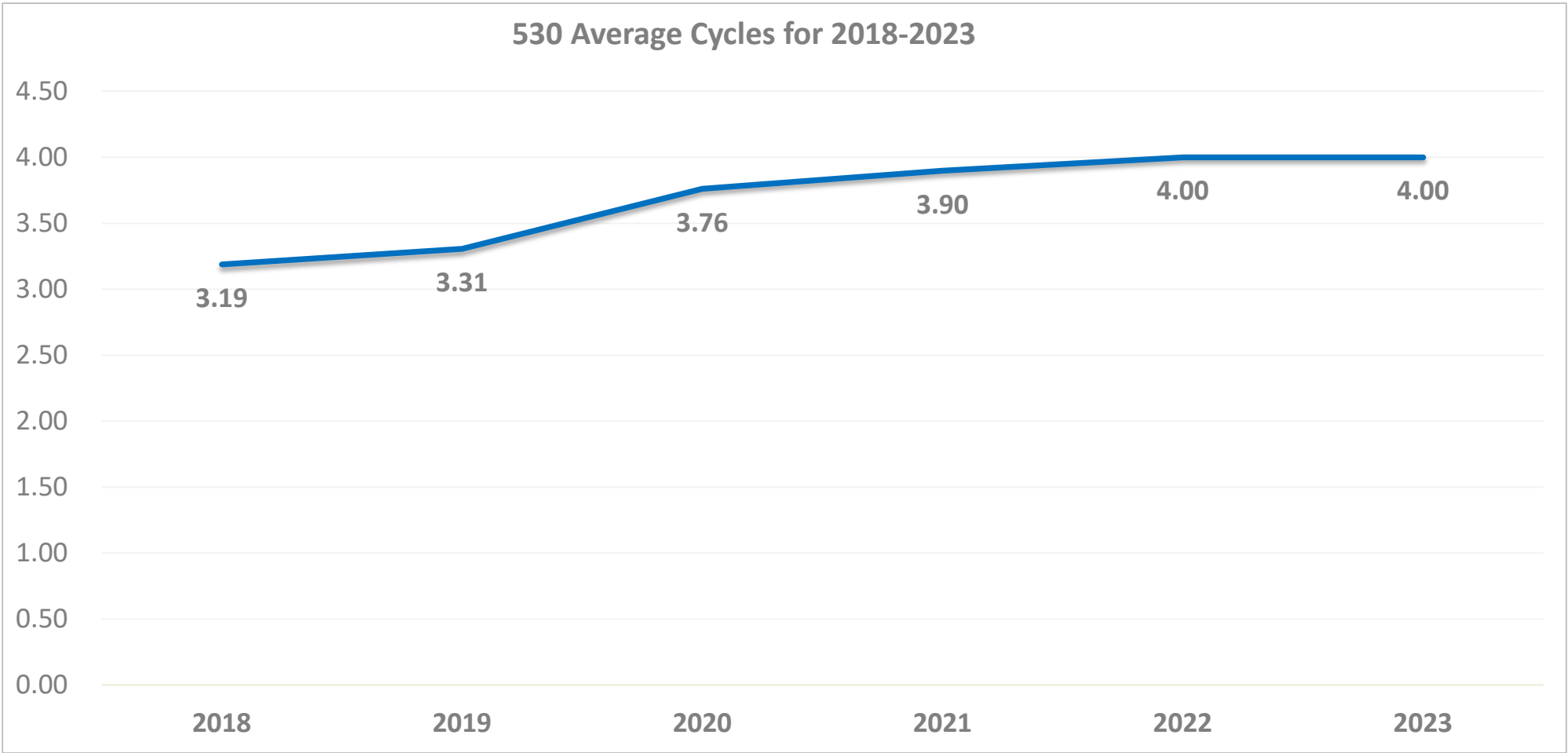
- Shrub-bed maintenance consists of four cycles of pruning, weeding, cleanup and edging planters around buildings
- Cycle: Providing shrub bed maintenance to every building
- Cycles vary in length seasonally
- Mulching performed once/year; slopes are maintained twice/year
- Replanting performed in cooler months to reduce water usage for plant establishment

Grounds Maintenance (WC 530)

- 2024 shrub-bed maintenance cycle budgeted at four cycles
- Shrub-bed maintenance budget increased \$233,415, or 11%, from 2023 budget due to the following factors:
 - Annual increase in wage rates
 - Agronomic cost increases (fertilizer, herbicides, etc.) due to inflation
 - Reallocation of hours from turf maintenance

Grounds Maintenance

Average Trim Cycles



Grounds Maintenance (WC 530)

- Turf maintenance covers of 165 acres in Third Mutual
- Turf maintenance includes mowing, hard surface edging, turf repair and overseeding
- Mowing cycle adjusted seasonally throughout year to respond to varying growing conditions, ranging from weekly in summer to monthly in winter, averaging 28 mow cycles annually
- 2024 turf maintenance budget decreased by (\$38,740), or (5%), from 2023 budget due to allocation of hours to shrub-bed maintenance

Miscellaneous Tasks

- Perform general cleanup
- Perform storm preparation/damage cleanup and repair
- Provide employee training
- Prepare exterior landscaping for paint crew access
- Prepare exterior of buildings for fumigation
- 2024 miscellaneous tasks budget increased by \$178,349, or 63%, from 2023 budget due to department focus on improving core services, including training, inflation and annual wage rate increases

Garden Villa Maintenance

- Water and prune mutual-owned container plants and raised planters
- Replace plants when material has died or outgrows planter (residents must maintain personal plants)
- 2024 Garden Villa maintenance budget increased \$3,701, or 5%, from 2023 budget due to annual wage rate increases

Irrigation (WC 540)

- Provide irrigation support to other landscaping maintenance sections
- Oversee 5,683 watering zones throughout Third Mutual via 223 irrigation controllers managed by a central irrigation computer through cellular communication technologies; weather-sensitized system automatically adjusts watering schedules
- Proactively maintain, clean landscaping drains throughout community
- 2024 irrigation maintenance budget increased \$52,323, or 5%, from 2023 budget due to annual wage rate increases

Small Equipment Repair (WC 550)

- Support other crews by providing mower, small equipment maintenance, repair and delivery
- Order, receive supplies and materials used by crews to maintain lawns, slopes and shrub beds
- 2024 small equipment repair budget increased \$27,184, or 13%, from 2023 budget due to annual wage increases and inflation

Pest Control (WC 560)

- Provide pest control support to other landscape maintenance sections
- Use various methods to control various pests, including weeds, insects (including wasps, bees in landscaping), rodents and other vertebrates
- 2024 pest control budget decreased (\$42,357), or (10%), from 2023 budget due to turnover factor of one position

Landscaping Services - Reserve Funds

THIRD LAGUNA HILLS MUTUAL 2024 PLAN PROGRAMS REPORT

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
RESERVE FUNDS - LANDSCAPE								
49	LANDSCAPE MODERNIZATION	\$837,542	\$422,111	\$614,885	\$541,671	\$2,322,587	\$1,780,916	329%
50	IMPROVEMENT & RESTORATION	0	120,344	253,565	177,744	195,858	18,114	10%
51	TREE MAINTENANCE	830,447	843,160	965,034	899,814	980,188	80,374	9%
TOTAL		\$1,667,989	\$1,385,616	\$1,833,484	\$1,619,229	\$3,498,633	\$1,879,404	116%

Landscaping Modernization (WC 530)

- Modernization/Renovation programs included in budget designed to address specific areas of concern as determined by landscaping committee and staff
- Projects, including slope repair, turf renovation and irrigation retrofitting, are funded through replacement fund; each program requires varied time and materials, selected to be completed each year
- Slope maintenance is provided by outside services and consists of meeting OCFA requirements; reduce groundcover to one foot, shrubs to two feet and maintain gap of five feet between shrubs and trees; weeding and plant replacement are included in contract
- 2024 landscape modernization budget has increased \$1,780,916, or 329%, from 2023 budget due to new paint program relandscaping project

Improvement and Restoration (WC 510)

- Community landscape is aging, much past useful life
- New-for-2021 work center replaces aging/dead plants and relandscapes turf areas determined to be difficult and dangerous to maintain and irrigate
- 2024 budget increased \$18,114, or 10%, from 2023 budget due to annual wage increases and inflation

Tree Maintenance (WC 570)

- Crews perform routine tree trimming on approximately 15,450 trees, supplemented by contractors
- Service level on a six-year rotating cycle based on specific trimming needs of each tree species
- Tree inventory maintained via Stellar and contractor-provided software
- Staff supplemented by outside services contractor
- Contracted work focused on completing scheduled maintenance cycles
- Staff focuses on service requests, building clearance trims and small removals

Landscaping Services - Disaster Fund

THIRD LAGUNA HILLS MUTUAL 2024 PLAN PROGRAMS REPORT

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
DISASTER FUND - LANDSCAPE								
57	FIRE RISK MANAGEMENT	\$106,597	\$83,108	\$86,577	\$180,000	\$180,000	\$0	0%
	TOTAL	\$106,597	\$83,108	\$86,577	\$180,000	\$180,000	\$0	0%

Disaster Fund (WC 530)

- Primarily used for fire fuel reduction on slopes and adjacent open space
- Tasks performed mostly by outside services
- Work consists of removing high-risk plant material from slopes within walls as well as nonnative overgrowth along perimeter of mutual boundaries to reduce wildfire risk

2025 Budget Considerations

- Service level increases; maintenance cycles and slope maintenance frequency
- Automatic irrigation master valves
- Legislation requiring elimination of nonfunctional turf



Questions

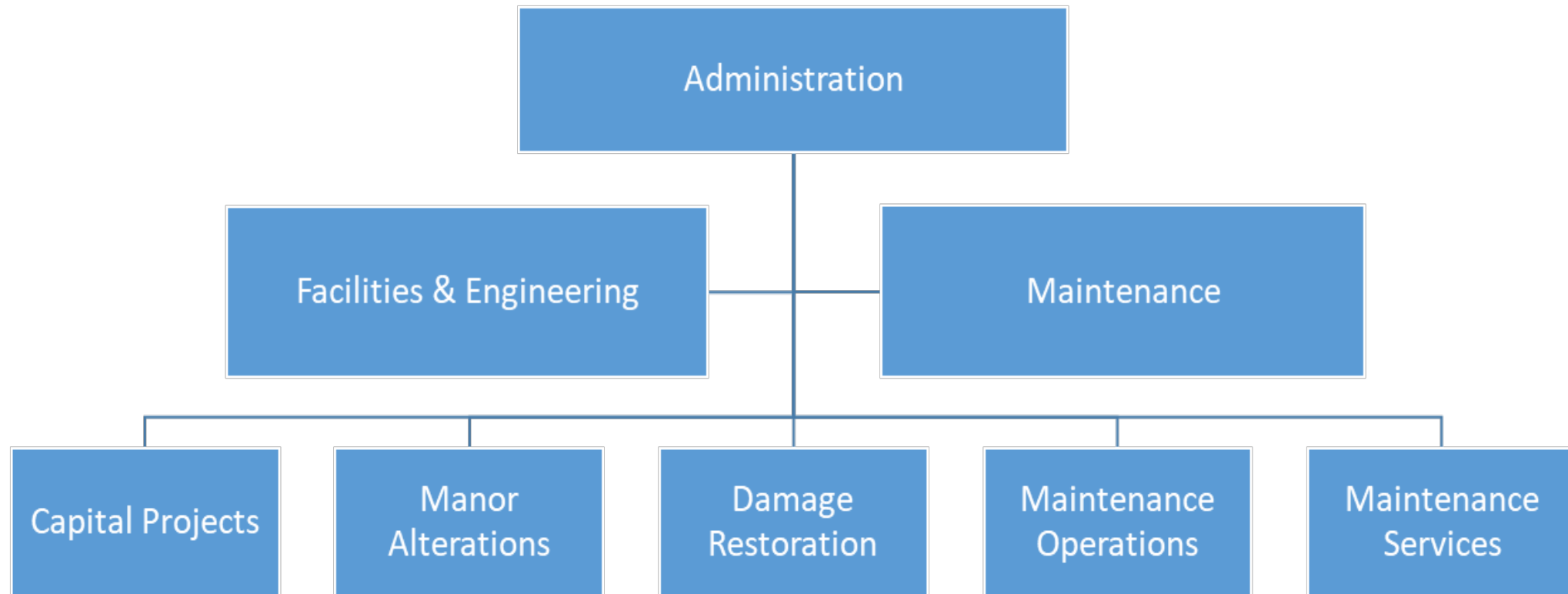
Department Budget Review

Maintenance & Construction

Third Mutual

March 27, 2024

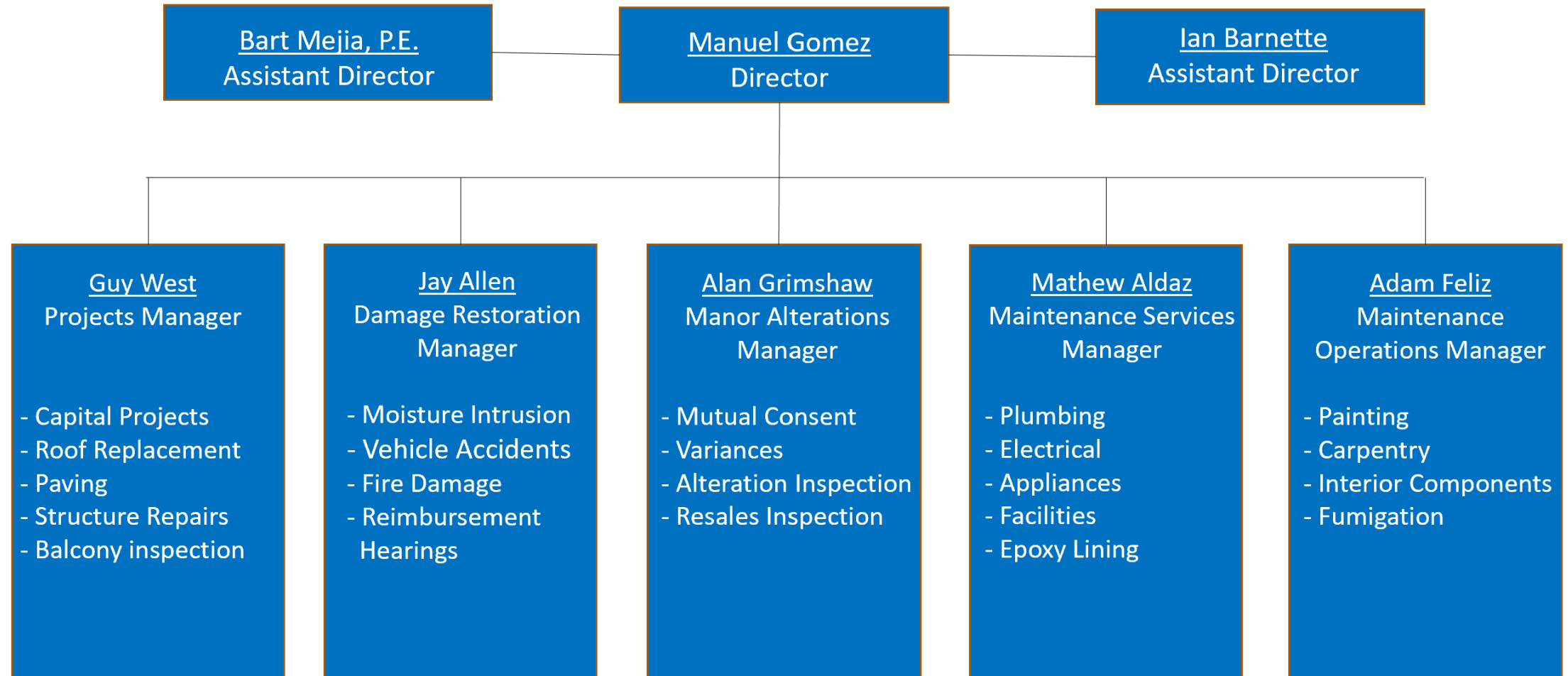
M&C Department Divisions



179 FT staff positions (169 funded)
\$39.9M annual budget (\$34.9 M net cost)

Five standing committees
Three ad hoc/subcommittees

M&C Department Division Responsibilities



Maintenance and Construction - Staffing

Division	2022	2023	2024
Administration	7	7	7
Projects	7	7	7
Damage Restoration	10	10	10
Manor Alterations	16	16	16
Maintenance Services	50.8	50.8	50.8
Maintenance Operations	88.3	88.3	88.3
Total FTE Approved	179.1	179.1	179.1
Total FTE Funded	179.1	172.6	169.1

Service Area - Projects

- Implement capital improvement projects
- Prepare plans, specifications, project cost estimates
- Develop, monitor project schedules
- Provide project management, contract administration, administrative support for mutual programs/maintenance projects:
 - Roof repairs, replacement
 - Asphalt paving, seal coating
 - Shepherd's crook installation
 - Building foundation inspection, repair
 - Building structures, dry rot projects

Service Area - Damage Restoration

- Provide supervision, administrative support for damage restoration events
- Manage dry down, abatement, environmental services and restoration of mutual property due to moisture intrusion events (plumbing leaks, stoppages, roof leaks, failed alterations)
- Evaluate damage costs to mutual property related to fire, vehicular accidents
- Process chargeable damage costs, coordinate with VMS risk manager on insurance claims
- Coordinated and processed 3,725 service events in 2023; 1,819 in Third
- Prepare Executive Hearing Committee reimbursement reports for damages and mutual-incurred expenses sustained from member alterations, negligence, vehicle accidents; presented 110 cases in 2023 for Third

Service Area - Manor Alterations

- Provide supervision, administrative support for alteration mutual consents, variance requests, resale inspections:
 - Process mutual consent and variance applications
 - Collect and process application fees
 - Assist residents, contractors, real estate agents with rules/regulations related to alterations, mutual architectural standards, resale inspection process
 - Conduct vacant manor inspections, exterior resale inspections
 - Issue correction notices when alterations in disrepair
 - Prepare resale correction reports for required maintenance, water heater replacements, exterior alterations
- Provide administrative support to Architectural Control and Standards Committee
- Processed 1,635 mutual consents and variances in 2023; 948 in Third
- Conducted 757 resale inspections in 2023; 386 in Third

Service Area - Maintenance Services

- Provide management, supervision, administrative support for mutual replacement programs, facility maintenance service requests:
 - Waste line and copper pipe remediation (epoxy lining)
 - Fire extinguisher testing, repair
 - Plumbing services
 - Electrical services
 - Water heater replacement program (common area)
 - Chargeable services for appliance, electrical, plumbing
- Closed 31,258 service order tickets in 2023; 8,094 in Third

Service Area - Maintenance Operations

- Provide management, supervision, administrative support for mutual property maintenance service requests, annual maintenance programs:
 - Exterior dry rot inspections, repairs
 - Prior to paint program
 - Exterior paint program
 - Deck top coat resurfacing
 - Building fumigation; annual termite inspections
 - Carpentry service requests
 - Elevator and lift maintenance
- Provide administrative support to Garden Villa Recreation Room Subcommittee
- Closed 17,919 service order tickets in 2023; 6,176 in Third

THIRD LAGUNA HILLS MUTUAL 2024 PLAN PROGRAMS REPORT

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION								
1	PLUMBING SERVICE	\$828,543	\$716,714	\$691,819	\$744,807	\$786,186	\$41,378	6%
2	CARPENTRY SERVICE	515,640	424,622	535,988	568,563	586,661	18,097	3%
3	PEST CONTROL	87,989	366,892	180,881	360,000	377,116	17,116	5%
4	FIRE PROTECTION	101,400	88,415	142,282	144,347	151,185	6,838	5%
5	ELECTRICAL SERVICE	107,651	126,478	16,030	115,140	104,443	(10,696)	(9%)
6	APPLIANCE REPAIRS	115,550	84,181	87,868	98,270	115,384	17,114	17%
7	MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	11,191	39,560	11,079	48,664	30,000	(18,664)	(38%)
8	SOLAR MAINTENANCE	23,981	14,348	23,539	35,000	36,000	1,000	3%
9	STREET LIGHT MAINTENANCE	0	0	0	17,000	17,000	0	0%
10	GUTTER CLEANING	29,988	0	0	0	0	0	0%
TOTAL		\$1,821,933	\$1,861,209	\$1,689,487	\$2,131,791	\$2,203,975	\$72,183	3%

Line 9 Funding for this Line was moved from Reserves to Operating in 2023.

Line 10 Funding for this Line is included in General Services under the Gutter Cleaning Line.

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION	2020 ACTUALS	2021 ACTUALS	2022 ACTUALS	2023 BUDGET	2024 BUDGET	Assessment Increase/(Decrease)	
						\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION							
PLUMBING SERVICE	\$828,543	\$716,7	\$691,819	\$744,807	\$786,186	\$41,378	6%

- Plumbing services work center completed 16,793 work order tickets in 2023; 4,600 in Third:
 - Leak investigations
 - In-wall leak repairs
 - Under-slab leaks
 - Stoppages
 - Valve/fitting repair/replacement

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION	2020	2021	2022	2023	2024	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION							
CARPENTRY SERVICE	515,640	424,622	535,988	568,563	586,661	18,097	3%

- Carpentry services work center completed 9,108 work order tickets in 2023; 3,260 in Third:
 - Carport structure and garage door repair
 - Common-area window and door repair
 - Common-area acoustic ceiling repair
 - Stucco, drywall/texture repair
 - Insect screen installation and repair

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

							Assessment	
							Increase/(Decrease)	
DESCRIPTION							\$	%
2020								
ACTUALS								
2021								
ACTUALS								
2022								
ACTUALS								
2023								
BUDGET								
2024								
BUDGET								
OPERATING FUND - MAINTENANCE & CONSTRUCTION								
3	PEST CONTROL	87,989	366,892	180,881	360,000	377,116	17,116	5%

- Three-year termite inspection program
- Resale termite inspections
- Whole-structure fumigation program
- Miscellaneous termite inspection requests
- Local termite treatments and bee removal
- Lodging for fumigation program

468 buildings scheduled for annual inspection in 2024
53 structure fumigations planned in 2024

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION	2020 ACTUALS	2021 ACTUALS	2022 ACTUALS	2023 BUDGET	2024 BUDGET	Assessment Increase/(Decrease)	
						\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION							
FIRE PROTECTION	101,400	88,415	142,282	144,347	151,185	6,838	5%

- Fire alarm system inspections
- Fire extinguisher service
- Sprinkler system service
- Standpipe testing
- Chimney cleaning
- Dryer vent cleaning

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

							Assessment	
		2020	2021	2022	2023	2024	Increase/(Decrease)	
DESCRIPTION		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION								
5	ELECTRICAL SERVICE	107,651	126,478	16,030	115,140	104,443	(10,696)	(9%)

- Electrical services work center completed 8,576 work order tickets in 2023; 1,842 in Third:
 - Common-area lighting repairs
 - Common-area electrical outlet repairs
 - Main breaker, circuit breaker repairs
 - Doorbell light repairs

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION	2020	2021	2022	2023	2024	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION							
APPLIANCE REPAIRS	115,550	84,181	87,868	98,270	115,384	17,114	17%

- Appliance services work center completed 5,198 work order tickets in 2023; 1,506 in Third:
 - Laundry room washer repairs
 - Laundry room dryer repairs

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION	2020	2021	2022	2023	2024	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION							
MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	11,191	39,560	11,079	48,664	30,000	(18,664)	(38%)

- Window repairs
- Sliding glass door repairs
- Garden Villa miscellaneous repairs

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION								
8	SOLAR MAINTENANCE	23,981	14,348	23,539	35,000	36,000	1,000	3%
9	STREET LIGHT MAINTENANCE	0	0	0	17,000	17,000	0	0%

- Contractor solar panel cleaning
- Solar panel repair
- Equipment repairs

- Contractor street light outage response
- Repair/replacement of poles, fixtures
- 788 street lights owned by Third



THIRD LAGUNA HILLS MUTUAL 2024 PLAN PROGRAMS REPORT

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION								
23	BUILDING NUMBERS	\$0	\$14,088	\$0	\$0	\$0	\$0	0%
24	BUILDING STRUCTURES	1,404,870	2,091,312	,809,120	2,054,840	2,300,426	245,586	12%
25	ELECTRICAL SYSTEMS	16,690	16,588	0	30,000	30,000	0	0%
26	ENERGY PROJECTS	923	0	0	0	0	0	0%
27	EXTERIOR LIGHTING	760,369	24,840	14,473	12,500	12,500	0	0%
28	FENCING	57,416	73,009	62,837	82,765	79,602	(3,163)	(4%)
29	GARDEN VILLA LOBBY	109,636	111,882	1,418	0	0	0	0%
30	GARDEN VILLA MAILROOM	32,510	300	285	431	562	131	30%
31	GARDEN VILLA RECESSED AREAS	65,016	0	0	0	0	0	0%
32	GARDEN VILLA REC ROOM	12,473	7,859	2,759	5,245	65,393	60,149	1147%
33	GUTTERS	134,135	(15,844)	29,973	113,127	126,486	13,359	12%
34	MAILBOXES	63,844	37,175	2,743	25,180	27,582	2,403	10%
35	PAINT PROGRAM	1,619,789	1,527,920	,413,218	1,597,812	1,613,075	15,263	1%
36	PRIOR TO PAINT	915,496	1,024,160	,042,713	1,167,546	1,222,353	54,806	5%
37	PAVING/CONCRETE	695,094	618,985	423,955	439,421	431,851	(7,570)	(2%)
38	ROOFS	1,429,531	1,341,440	,403,246	1,468,968	1,684,823	215,855	15%
39	EXTERIOR WALLS	137,928	29,280	29,994	35,000	32,400	(2,600)	(7%)
40	WASTE LINE REMEDIATION	417,586	530,595	617,558	1,000,000	1,500,000	500,000	50%
41	WATER LINES - COPPER PIPE REMEDIATION	154,939	367,397	196,116	500,000	1,000,000	500,000	100%
42	PLUMBING REPLACEMENT	0	0	0	200,000	200,000	0	0%
43	ELEVATORS	115,890	151,170	89,872	125,000	125,000	0	0%
44	LAUNDRY COUNTERTOP/FLOOR	62,093	40,498	14,977	59,567	59,173	(394)	(1%)
45	LAUNDRY APPLIANCES	46,932	60,836	92,085	101,579	109,593	8,014	8%
TOTAL		\$8,253,160	\$8,053,489	47,341	\$9,018,981	\$10,620,819	\$1,601,839	18%

Line 24 Beginning in 2022 funding for this item is included in the Paint Program.

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION	2020	2021	2022	2023	2024	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION							
BUILDING STRUCTURES	1,404,870	2,091,312	1,809,120	2,054,840	2,300,426	245,586	12%

- Dry-rot remediation
- Foundation and building settlement
- Balcony, ramp, walkway replacement
- Trellis, beam structure replacement
- Garage door, carport panel replacement
- GV rec room kitchen, bathroom flooring
- Parapet wall removals
- Asbestos/lead abatement and testing
- Balcony inspections (SB326)

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION								
25	ELECTRICAL SYSTEMS	16,690	16,588	0	30,000	30,000	0	0%
27	EXTERIOR LIGHTING	760,369	24,840	14,473	12,500	12,500	0	0%

- Common-area electrical panel maintenance, replacements
- Common-area light repairs, upgrades
- Lighting consultant services

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION								
28	FENCING	57,416	73,009	62,837	82,765	79,602	(3,163)	(4%)
39	EXTERIOR WALLS	137,928	29,280	29,994	35,000	32,400	(2,600)	(7%)

- 13 miles (70,000 linear feet) of decorative wooden split-rail fencing
- Cedar split-rail fencing used to define boundaries between buildings and slope areas
- 148 service orders completed in 2023
- Shepherd's crook installation
- Vegetation clearing
- Removal, disposal of barbed wire

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2024 PLAN
PROGRAMS REPORT**

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION								
30	GARDEN VILLA MAILROOM	32,510	300	285	431	562	131	30%
32	GARDEN VILLA REC ROOM	12,473	7,859	2,759	5,245	65,393	60,149	1147%

- 53 Garden Villa buildings:
 - Mailroom renovations completed in 2020; contingency for touch-up paint, if needed
 - Rec Room window replacement – phased program
 - Funding for replacement of two heat pumps and two water heaters, if needed

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION	2020	2021	2022	2023	2024	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%

RESERVE FUNDS - MAINTENANCE & CONSTRUCTION

33	GUTTERS	134,135	(15,844)	29,973	113,127	126,486	13,359	12%
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- Repair existing rain gutters, downspouts
- New gutter installations for drainage issues
- 203 service orders completed in 2023

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION	2020	2021	2022	2023	2024	Assessment	
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						\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION							
34 MAILBOXES	63,844	37,175	2,743	25,180	27,582	2,403	10%

- Mailbox repairs
- Non-compliant in-wall mailbox replacements when warranted
- Provides for replacement of in-wall mailboxes for eight buildings
- Option to replace with stand alone cluster boxes upon request

THIRD LAGUNA HILLS MUTUAL 2024 PLAN PROGRAMS REPORT

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION								
35	PAINT PROGRAM	1,619,789	1,527,920	1,413,218	1,597,812	1,613,075	15,263	1%
36	PRIOR TO PAINT	915,496	1,024,160	1,042,713	1,167,546	1,222,353	54,806	5%

- Dry-rot repair
- Balcony, breezeway, decking structural repairs
- Balcony waterproof top-coat deck sealant, resurfacing
- Asbestos, lead testing, abatement
- Prep exterior surfaces
- 16.5 million sf of exterior surfaces
- Paint stucco, siding, fascia boards, beams, overhangs, doors, closed soffits, ornamental metal surfaces
- Address signs replaced with large reflective building signs
- Touch-up painting

Cul-de-sacs 328, 333, 334, 410, 402 with 37 buildings and nine carports planned for 2024.

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

DESCRIPTION	2020	2021	2022	2023	2024	Assessment	
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						\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION							
37 PAVING/CONCRETE	695,094	618,985	423,955	439,421	431,851	(7,570)	(2%)

- Pavement seal coat
- Asphalt repaving
- Parkway concrete replacements

Cul-de-sacs 304, 329, 335, 374, 409 planned for asphalt repaving in 2024.
20 additional cul-de-sacs planned for seal coat.

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						\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION							
38 ROOFS	1,429,531	1,341,440	1,403,246	1,468,968	1,684,823	215,855	15%

- PVC cool roof replacements
- Light weight tile roof replacements
- Preventive roof maintenance, repairs
- Emergency repairs
- Flat roof debris removal

31 buildings planned for PVC roofs, six buildings planned for lightweight tile replacement in 2024.

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2024 PLAN
PROGRAMS REPORT**

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION								
40	WASTE LINE REMEDIATION	417,586	530,595	617,558	1,000,000	1,500,000	500,000	50%
41	WATER LINES - COPPER PIPE REMEDIATION	154,939	367,397	196,116	500,000	1,000,000	500,000	100%
42	PLUMBING REPLACEMENT	0	0	0	200,000	200,000	0	0%

- Six buildings planned for epoxy lining for interior and exterior waste lines
- 12 buildings planned for epoxy lining for interior copper water lines
- Approximately 85 buildings are candidates for pressure regulator valve installations

**THIRD LAGUNA HILLS MUTUAL
2024 PLAN
PROGRAMS REPORT**

							Assessment	
							Increase/(Decrease)	
DESCRIPTION							\$	%
2020								
ACTUALS								
2021								
ACTUALS								
2022								
ACTUALS								
2023								
BUDGET								
2024								
BUDGET								
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION								
43	ELEVATORS	115,890	151,170	89,872	125,000	125,000	0	0%

- 82 passenger elevators
- Mechanical component replacements
- Flooring replaced only when needed
- Building elevators at 4006 and 4010 planned for 2024

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PROGRAMS REPORT**

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
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							\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION								
44	LAUNDRY COUNTERTOP/FLOOR	62,093	40,498	14,977	59,567	59,173	(394)	(1%)
45	LAUNDRY APPLIANCES	46,932	60,836	92,085	101,579	109,593	8,014	8%

- 243 laundry rooms in three-story buildings; 44 standalone laundry rooms; 419 countertops:
 - Replace sheet vinyl flooring with epoxy coating
 - Countertop replacements
 - Asbestos abatement
 - Water heater replacements
 - Washer and dryer replacements

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2024 PLAN
PROGRAMS REPORT**

DESCRIPTION		2020	2021	2022	2023	2024	Assessment	
		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
							\$	%
DISASTER FUND - MAINTENANCE & CONSTRUCTION								
52	MOISTURE INTRUSION - RAIN LEAKS	\$707,469	\$253,951	\$242,184	\$260,000	\$220,000	(\$40,000) ✓	(15%)
53	MOISTURE INTRUSION - PLUMBING LEAKS	1,254,082	614,090	183,156	500,000	650,000	150,000 ✓	30%
54	MOISTURE INTRUSION - PLUMBING STOPPAGES	151,227	118,104	141,150	75,000	80,000	5,000 ✓	7%
55	MOISTURE INTRUSION - MISCELLANEOUS	146,221	14,507	49,599	14,000	50,000	36,000 ✓	257%
56	DAMAGE RESTORATION SERVICES	217,829	162,802	165,336	199,470	50,280	(149,190) ✓	(75%)
TOTAL		\$2,476,828	\$1,163,454	\$781,424	\$1,048,470	\$1,050,280	\$1,810 ✓	0%
GARDEN VILLA REC ROOM FUND - MAINTENANCE & CONSTRUCTION								
59	GARDEN VILLA RECREATION ROOMS	\$71,247	\$70,118	\$82,796	\$93,642	\$97,502	\$3,860 ✓	4%
TOTAL		\$71,247	\$70,118	\$82,796	\$93,642	\$97,502	\$3,860	4%

2025 Budget Considerations

- Allocation for roof replacements
- Possible budget for GV entrance railings
- Consultant to evaluate potential for solar installations
- Contingency for curb access ramps
- Consider contract services to enhance exterior paint program
- Opportunities to reduce funding levels for contingency services



Questions