THIRD LAGUNA HILLS
MUTUAL

OPEN MEETING

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

Wednesday, September 9, 2020 at 9:00 AM
Virtual On-Line Meeting

Laguna Woods Village owners/residents are welcome to participate in all open committee meetings and submit comments or questions regarding virtual meetings using one of two options:

1. 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 committee in the subject line of the email. Name and unit number must be included.
2. By calling (949) 268-2020 beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and unit number.

NOTICE AND AGENDA

This Meeting May be Recorded

1. Call to Order
2. Acknowledgement of Media
3. Approval of Agenda
4. Approval of Meeting Report for July 6, 2020
5. Chair's Remarks
6. Member Comments – *(Items Not on the Agenda)*
7. Department Head Update

Consent:

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

8. Programs Report
9. Maintenance Expenditures and Variance Explanations
10. Project Log
11. Solar Panel Performance Report

Reports:

12. Amend the Resolution to Extend the Exterior Paint Program Cycle to 15 years
13. Request to Repaint Building 2129

Items for Future Agendas:

- Proposed EV Charging Station Locations
- Programs Report (March, September)
- Entryway Modifications for all GV Buildings (General Services)
- Ramp Request at B3244 (pending Entryway Modification Report)

Concluding Business:

14. Committee Member Comments
15. Date of Next Meeting – November 2, 2020
16. Adjournment

OPEN MEETING

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

Monday, July 6, 2020 – 1:30 PM

Virtual On-Line Meeting

MEMBERS PRESENT:	Robert Mutchnick – Chair, Cush Bhada, John Frankel, Ralph Engdahl (in for Jon Pearlstone), Doug Gibson (in for Craig Wayne)
MEMBERS ABSENT:	Jon Pearlstone, Craig Wayne
OTHERS PRESENT:	None
STAFF PRESENT:	Ernesto Munoz – Staff Officer, Laurie Chavarria

1. Call to Order/Establish a Quorum

Chair Mutchnick called the meeting to order at 1:30 PM and stated that the meeting is being held pursuant to notice duly given and established that a quorum of the Committee was present.

2. Acknowledgement of Media

The media was not present.

3. Approval of the Agenda

The meeting agenda was unanimously approved as written.

4. Approval of Meeting Report for May 4, 2020

The meeting report from May 4, 2020, was discussed and changes were requested. However, the changes could not be made because the Board had already approved the funding reductions for the nine projects/programs at their May 19, 2020 meeting.

5. Chair's Remarks

Chair Mutchnick had no remarks.

6. Member Comments (Items Not on the Agenda)

- Bill Walsh (3162-C) commented on inspections, tracking of and budget for vacant manors.

Staff Officer Ernesto Munoz replied to the comment.

7. Department Head Update

Staff Officer Ernesto Munoz had no update.

Consent:

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

Items 8 & 9 were pulled for discussion. The remaining item was approved by consensus.

8. Maintenance Expenditures and Variance Explanations

Discussion ensued regarding exterior lighting; misc. repairs by outside vendors and pest control.

9. Project Log

Staff Officer Ernesto Munoz provided an update on the status of various projects and programs and answered questions from the Committee.

10. Solar Panel Performance Report

Items for Discussion:

11. Adjust Paint Program to Accommodate Trim Cycle Buildings (oral discussion)

Staff Officer Ernesto Munoz provided information to the Committee on how many buildings were painted on the Exterior Paint Trim Cycle, and what work was performed on those buildings.

Discussion ensued regarding the painting of building 2129; and power washing buildings on the Trim Cycle in the interim until the next full paint cycle.

Items for Future Agendas:

- Consider Revising Exterior Paint Program Cycle to 15 years
- Request to Repaint Building 2129
- Proposed EV Charging Station Locations

- Programs Report (March, September)
- Entryway Modifications for all GV Buildings (General Services)
- Ramp Request at B3244 (pending Entryway Modification Report)

<u>Concluding Business:</u>

12. Committee Member Comments

- Director Gibson thanked staff for the information provided.

13. Date of Next Meeting – TBD *(will reschedule the 9/7/2020 meeting due to the Labor Day Holiday)*

Adjournment – The meeting was adjourned at 2:44 PM.

DRAFT

Robert Mutchnick, Chair

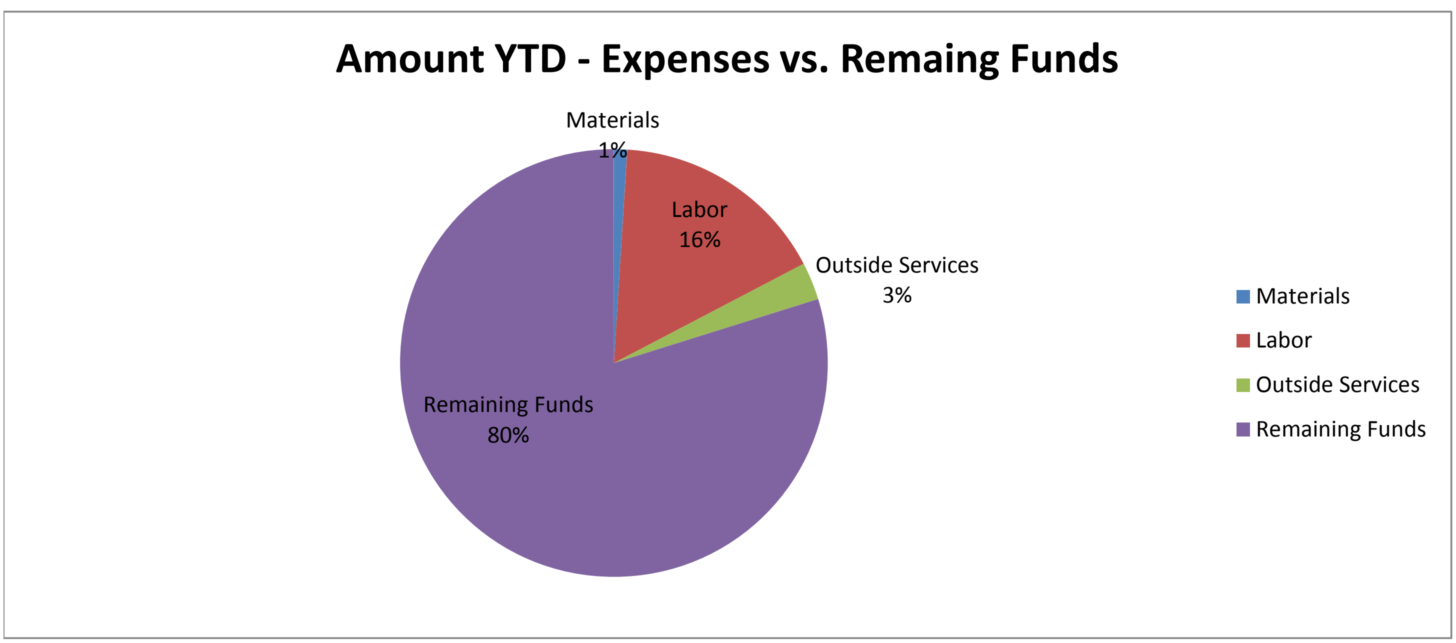
THIRD LAGUNA HILLS MUTUAL
2020 PRIOR TO PAINT REPORT

Through July 31, 2020

The prior to paint program prepares building surfaces for painting and includes repair and mitigation of Dry Rot, Decking and Welding repairs performed every 10 years in conjunction with the Exterior Paint Program.

Prior-To-Paint	2020 Expected	Completed YTD
Buildings (Dry Rot)	81	14
Carport Structures	7	0
Laundry Buildings	3	0
Buildings (Decking)	31	16

Expenses	Amount YTD	
Materials	$	14,721
Labor	$	240,081
Outside Services	$	41,779
Remaining Funds	$	1,173,742
Total Budget	$	1,470,323

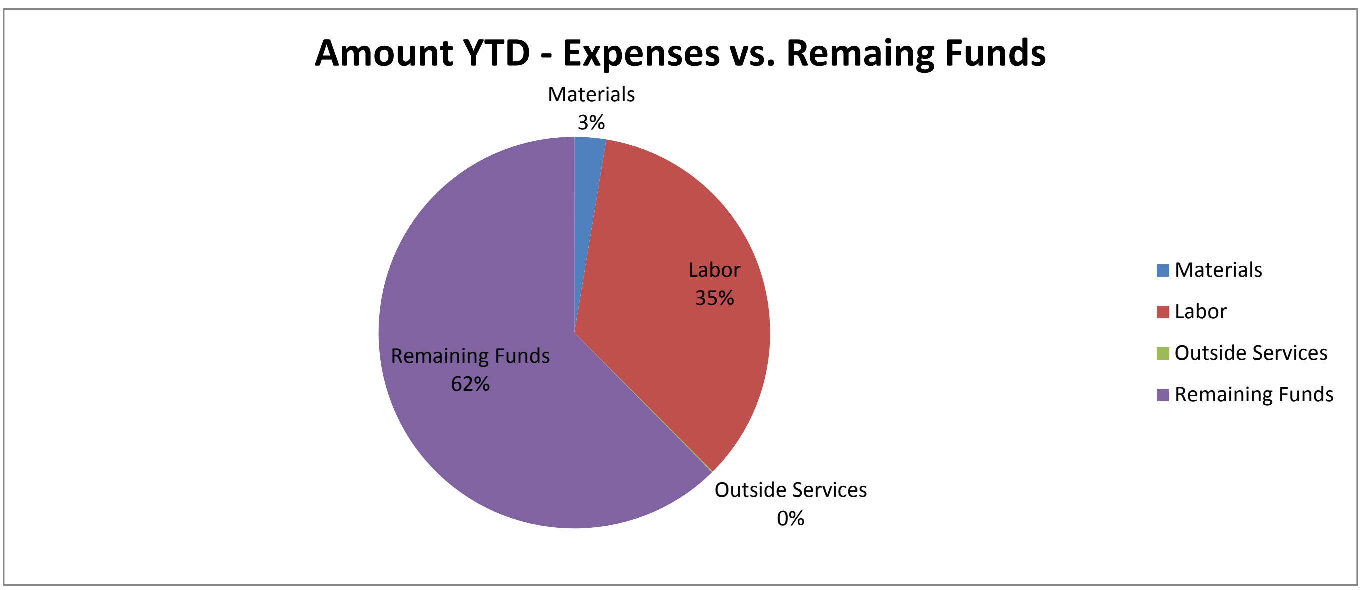


THIRD LAGUNA HILLS MUTUAL
2020 PAINT REPORT
Through July 31, 2020

In 2016, the Mutual rescinded the Exterior Paint Trim Cycle and returned to the 10-year full Exterior Paint program. The exterior components to be painted include the body (stucco/siding) as well as the fascia boards; beams; overhangs; doors; closed soffits; structural and ornamental metal surfaces. Decking is resurfaced (top coat) and damaged building address signs are replaced. Lead abatement activities are also performed in conjunction with this program.

Paint	2020 Expected	Completed YTD
Buildings (Dry Rot)	81	54
Carport Structures	7	6
Laundry Buildings	3	0

Expenses	Amount YTD	
Materials	$	53,677
Labor	$	717,729
Outside Services	$	1,758
Remaining Funds	$	1,282,392
Total Budget	$	2,055,556



THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF JULY 31, 2020

	DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	YEAR-TO-DATE ACTUAL	YEAR-TO-DATE BUDGET	TOTAL BUDGET *	% EXPENDED	VARIANCE $	VARIANCE %
	REPLACEMENT FUND - MAINTENANCE & CONSTRUCTION								
1	BUILDING NUMBERS	0	2,500	0	17,500	30,000	0%	17,500	100%
2	BUILDING STRUCTURES	111,308	232,612	681,119	1,625,587	2,787,028	24%	944,468	58%
3	ELECTRICAL SYSTEMS	0	4,957	1,090	34,699	59,495	2%	33,609	97%
4	ENERGY PROJECTS	0	833	923	5,831	10,000	9%	4,909	84%
5	EXTERIOR LIGHTING	664,919	6,249	681,571	783,743	815,000	84%	102,172	13%
6	FENCING	0	4,597	17,068	31,891	54,703	31%	14,823	46%
7	GARDEN VILLA LOBBY	0	9,375	28,300	65,625	112,500	25%	37,325	57%
8	GARDEN VILLA MAILROOM	0	2,836	0	19,737	33,867	0%	19,737	100%
9	GARDEN VILLA RECESSED AREA	0	5,416	109	37,912	65,000	0%	37,803	100%
10	GV REC ROOM WATER HEATER/HEAT PUMP	615	804	6,103	5,619	9,644	63%	(483)	(9%)
11	GUTTER REPLACEMENTS	0	8,228	20,022	57,315	98,289	20%	37,293	65%
12	MAILBOXES	0	4,181	8,865	29,161	50,000	18%	20,296	70%
13	PAINT PROGRAM - EXTERIOR	36,213	172,778	773,165	1,198,701	2,055,556	38%	425,536	35%
14	PRIOR TO PAINT	606	123,622	296,581	857,229	1,470,323	20%	560,648	65%
15	PAVING	0	64,591	3,014	452,137	775,112	0%	449,123	99%
16	ROOF REPLACEMENTS	182,922	117,991	418,512	825,937	1,415,904	30%	407,425	49%
17	WALL REPLACEMENTS	0	13,750	137,928	96,250	165,000	84%	(41,678)	(43%)
18	WASTE LINE REMEDIATION	0	83,333	196,674	583,331	1,000,000	20%	386,657	66%
19	WATER LINES - COPPER PIPE REMEDIATION	0	41,666	151,438	291,662	500,000	30%	140,224	48%
	TOTAL	**$996,583**	**$900,319**	**$3,422,480**	**$7,019,868**	**$11,507,422**	**30%**	**$3,597,388**	**51%**

*** Exterior Lighting includes $740,000 carried over from the 2019 plan.**

THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF JULY 31, 2020

		CURRENT MONTH		YEAR-TO-DATE		TOTAL	%	VARIANCE	
	DESCRIPTION	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET *	EXPENDED	$	%
	OPERATING FUND - MAINTENANCE & CONSTRUCTION								
20	APPLIANCE REPAIRS	$9,720	$7,341	$79,017	$50,860	$87,257	91%	($28,157)	(55%)
21	CARPENTRY SERVICE	33,634	35,522	397,115	246,273	422,426	94%	(150,841)	(61%)
22	ELECTRICAL SERVICE	6,605	11,275	66,228	78,046	133,883	49%	11,818	15%
23	FIRE PROTECTION	2,355	10,935	33,516	76,545	131,252	26%	43,029	56%
24	MISC REPAIRS BY OUTSIDE SERVICE	0	4,889	4,405	34,221	58,664	8%	29,816	87%
25	PEST CONTROL	2,085	30,355	19,609	212,485	364,272	5%	192,876	91%
26	PLUMBING SERVICE	65,445	57,391	472,005	398,199	682,989	69%	(73,806)	(19%)
27	SOLAR MAINTENANCE	2,741	2,083	10,511	14,581	25,000	42%	4,070	28%
	TOTAL	**$122,586**	**$159,790**	**$1,082,404**	**$1,111,209**	**$1,905,743**	**57%**	**$28,805**	**3%**

S:\MONTHLY\Maintenance Expenditures\2018\Item #9 Third Expenditures Report-Period 7.xlsx

THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS
BUDGET VARIANCE EXPLANATIONS
July 31, 2020

REPLACEMENT FUND

1	**BUILDING NUMBERS**	-	*$17,500 YTD $2,500 July*
	Favorable variance:		*On May 19, 2020, the Board approved a $30,000 budget reduction for this project, which deferred all address sign installations to 2021.*
2	**BUILDING STRUCTURES**	-	*$944,468 YTD $121,304 July*
	Favorable variance:		*Most of the work associated with this budget was suspended for five months due to the pandemic, which is the reason for the favorable variance.*
3	**ELECTRICAL SYSTEMS**	-	*$33,609 YTD $4,957 July*
	Favorable variance:		*Non-essential electrical work was suspended during the pandemic. All work resumed on August 3rd and most of the budget is expected to be expended.*
4	**ENERGY PROJECTS**	-	*$4,909 YTD $833 July*
	Favorable variance:		*On May 19, 2020, the Board approved a $10,000 budget reduction. Future engery projects will be funded as needed.*
5	**EXTERIOR LIGHTING**	-	*$102,172 YTD ($658,670) July*
	Favorable variance:		*The Siemens Street Light Conversion Project was completed on June 6 and under budget. Some invoices are still pending but year to date budget variances are not expected.*
6	**FENCING**	-	*$14,823 YTD $4,597 July*
	Favorable variance:		*Non-essential carpentry work was suspended during the pandemic. Even though work resumed on August 3rd, only emergency fence repairs will be completed in order to maximize staff hours for other high priority work.*
7	**GARDEN VILLA LOBBY**	-	*$37,325 YTD $9,375 July*
	Favorable variance:		*This program was on hold for five months due to the pandemic. However, all lobby renovations are expected to be completed by the end of the year.*

THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS
BUDGET VARIANCE EXPLANATIONS
July 31, 2020

8	**GARDEN VILLA MAILROOM**	-	*$19,737*	*YTD*	*$2,836*	*July*
	Favorable variance:	*This program is scheduled to begin in mid-September.*				
9	**GARDEN VILLA RECESSED AREAS**	-	*$37,803*	*YTD*	*$5,416*	*July*
	Favorable variance:	*This program began on August 24, 2020 and invoices have not yet been received.*				
10	**GARDEN VILLA REC ROOM HEAT PUMP/WATER HEATER**	-	*under 10% variance*	*YTD*	*$189*	*July*
	Unfavorable variance:	*This variance is within normal budget fluctuations.*				
11	**GUTTERS**	-	*$37,293*	*YTD*	*$8,228*	*July*
	Favorable variance:	*Due to the furlough of carpentry staff for several months, year to date expenditures are less than expected. Work resumed in August and expenditures are expected to increase.*				
12	**MAILBOXES**	-	*$20,296*	*YTD*	*$4,181*	*July*
	Favorable variance:	*This program was on hold for five months due to the pandemic. Work has since resumed and all scheduled cluster mailbox replacements are expected to be completed by the end of the year.*				
13	**PAINT PROGRAM**	-	*$425,536*	*YTD*	*$136,565*	*July*
	Favorable variance:	*This program will continue to have a favorable variance due to the five months this project was on hold during the pandemic and the Program's $750,000 funding reduction that was approved by the Board on May 19, 2020. Work has resumed and staff will complete as many buildings as possible by the end of the year.*				
14	**PRIOR TO PAINT**	-	*$560,648*	*YTD*	*$123,016*	*July*
	Favorable variance:	*This program will continue to have a favorable variance due to the five months this project was on hold during the pandemic, however work has now resumed and staff will complete as many buildings as possible by the end of the year.*				

THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS
BUDGET VARIANCE EXPLANATIONS
July 31, 2020

15 PAVING/CONCRETE - *$449,123 YTD $64,591 July*

Favorable variance: *On May 19, 2020 the Board approved a $50,000 funding reduction to defer the Golf Cart Parking and Striping project to 2021. Paving, Sealcoat and the Concrete Parkway program work started in July and will be completed in October.*

16 ROOFS - *$407,425 YTD ($64,931) July*

Favorable variance: *The roofing program was delayed due to the pandemic and work began in June instead of March. As of August 31, 2020, only 9 out of 22 scheduled buildings have been completed.*

17 EXTERIOR WALLS - *($41,678) YTD $13,750 July*

Unfavorable variance: *The unfavorable variance is due to this budget being divided evenly over 12 months. The Shepherd's Crook program has been completed for 2020 and the total expenditures came in at $27,072 under budget.*

18 WASTELINE REMEDIATION - *$386,657 YTD $83,333 July*

Favorable variance: *This program was on hold for five months due to the pandemic. Work has now resumed, however year to date expenditures are only expected to reach $400,000.*

19 COPPER PIPE REMEDIATION - *$140,224 YTD $41,666 July*

Favorable variance: *As of 3/19/2020, this program was placed on hold until further notice. The M&C Committee authorized residents to defer the scheduled remediation work in their buildings to 2021 due to the pandemic. Prior to the stay at home order, staff was able to complete four out of the nine buildings scheduled for epoxy lining this year.*

OPERATING FUND

20 APPLIANCE REPAIRS - *($28,157) YTD* *($2,379) July*
Unfavorable variance:

A majority of expenditures for this budget is due to the accrued sick and vacation hours that were paid to furloughed employees, in addition to service calls for washing machine repairs. Staff has responded to 134 calls for service this year and found that 111 of these calls did not result in repairs to the machine. The most common issues found when staff arrived and tested the machines were over sudding due to use of non-HE detergent and unbalanced loads.

21 CARPENTRY SERVICE - *($150,841) YTD* *$1,888 July*
Unfavorable variance:

The unfavorable variance is due to the accrued sick and vacation hours that were paid to furloughed employees. The increase in expenditures will continue, as staff returned to work on August 3rd.

22 ELECTRICAL SERVICE - *$11,818 YTD* *$4,670 July*
Favorable variance:

Most of the electrical staff were furloughed for five months and only essential electrical repairs were completed during this time, resulting in less year to date expenditures than anticipated. Work resumed in August and expenditures are expected to increase.

23 FIRE PROTECTION - *$43,029 YTD* *$8,580 July*
Favorable variance:

Inspections of sprinkler systems and fire extinguishers are in progress and invoices are pending from the contractor. Expenditures are expected to increase through the end of the year as work is completed.

24 MISC REPAIRS BY OUTSIDE SERVICE - *$29,816 YTD* *$4,889 July*
Favorable variance:

Work performed by outside contractors was on hold for five months due to the pandemic. Expenditures are expected to slightly increase through the end of the year as work is scheduled and completed.

THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS
BUDGET VARIANCE EXPLANATIONS
July 31, 2020

25	**PEST CONTROL**	-	*$192,876 YTD* *$28,270 July*
	Favorable variance:		*On July 21, 2020, the Board deferred the whole structure tenting fumigation program due to the pandemic. There were 44 remaining buildings and 1 laundry room that will be rescheduled for fumigation in 2021. Current expenditures are due to the localized termite treatments and bee/wasp removals that continue to be performed as-needed.*
26	**PLUMBING SERVICE**	-	*($73,806) YTD* *($8,054) July*
	Unfavorable variance:		*The unfavorable variance is due to the accrued sick and vacation hours that were paid to furloughed employees. In addition, 2,497 service requests have been completed so far this year.*
27	**SOLAR MAINTENANCE**	-	*$4,070 YTD* *($658) July*
	Favorable variance:		*This budget is used to pay the O&M contract for the solar photovoltaic system. Some nvoices were recently processed and expenditures will be shown on August's report.*

Third Mutual Project Log (August 2020)

#	Type	Name	Description	Status	Estimated Completion/On-going Programs	Budget
1	920 Projects	**Building Structures**	This program is funded to repair or replace building structural components that are not performing as designed. This funding also includes roofing repairs related to dry rot work.	On May 19th, the Board approved a $150,000 budget reduction to the 2020 program. As building structural issues are reported and inspection requests are received, staff schedules an engineer to field inspect and if required, provide a recommendation for repairs. 4011: Structural repairs on balcony column footings are scheduled to be completed in October. 5206-A: Structural Evaluation Report is expected in September.	December 2020	Budget: $500,000 Exp: $215,893 Funding Reduction: ($150,000) Balance: $134,107
2	920 Projects	**Dry Rot Program**	This program is funded to develop and implement a systematic approach to eradicating wood rot throughout Third Mutual.	On May 19th, the Board approved a $300,000 budget reduction to the 2020 program. The Dry Rot Program will take place in coordination with the Prior to Paint Program, with a primary focus on Garden Villa Buildings. Buildings 2384, 2385, 2386, 2387 and 2388 have been completed (invoices are pending). Building B2354, 2389, 2390 and 2399 are in progress. Buildings 2393, 2397, 2398, 2400 and 2401: are scheduled to begin in late September.	December 2020	Budget: $1,025,000 Exp: $196,672 Funding Reduction: ($300,000) Balance: $528,328
3	920 Projects	**Parapet & Stucco Wall Repairs**	The Villa Paraisa and Casa Grande style homes in the Gate 11 area have had parapet wall leaks causing wood rot and wall damage. A phased program to remove these parapet walls was adopted by the Board to remove five walls per year. A total of five buildings were scheduled for 2020: 5028, 5144, 5294, 5298 & 5404.	On May 19th, the Board approved a $180,000 budget reduction to the 2020 program. Due to the funding reduction, only two buildings (5144 & 5404) will be completed in 2020. 20 out of 41 buildings have been completed through 2019. Building 5404 is in progress and scheduled to be completed by the end of September. Building 5144 is complete.	November 2020	Budget $300,000 Exp: $15,964 Funding Reduction: ($180,000) Balance: $104,036

4	920 Projects	**Foundations Program**	This program is funded to replace foundations showing signs of distress or impending failure. These repairs or replacements are performed on an as-needed basis. Staff performs field observations when a foundation inspection request is received. If needed, a structural engineer is then scheduled to inspect the foundation and provide a recommendation.	Staff performs field inspections to evaluate building foundations and schedules any needed repairs as they are identified. 3358-P: Structural plans are approved by the City and staff is preparing the RFP for construction.	December 2020 Annual	Budget: $75,000 Exp: $7,874 Balance: $67,126
5	904 Maint Svc	**Electrical Systems**	These funds are allocated to repair or replace electrical equipment failures as needed.	It has been determined by staff that the grounding at the three-story building electric panels are not up to code and should be improved for safety reasons. Staff has completed grounding improvements to 44 of these buildings. Work resumed on August 3rd.	December 2020 Annual	Budget $30,000 Exp: $0 Balance: $30,000
6	910 Bldg. Maint	**Garden Villa (GV) Lobby Renovations**	This program addresses the replacement of the existing acoustic ceiling, wallpaper and carpet in GV lobbies. All walls, ceilings and doors are patched and painted and the carpet is replaced.	The 9 Garden Villa lobbies scheduled for renovation in 2020 are: 2395, 2396, 2397, 3420, 3421, 4006, 5370, 5371, and 5499. Each lobby renovation is completed within a 2 week period. Lobby renovation is in progress at 5499. The lobby renovations at Building 2396, 2397, 3420 and 5371 have been completed.	December 2020 Annual	Budget: $112,500 Exp: $28,300 Balance: $84,200
7	910 Bldg. Maint	**Garden Villa (GV) Mailroom Renovations**	This program is funded to renovate GV mail rooms. The scope of work includes removing existing paneling and adding drywall, trim, installation of new light diffusers, and new mailboxes; as well as the complete painting of walls, ceilings and doors. Four mailrooms will be renovated in 2020, completing the program. The program is scheduled to resume in 2026.	The remaining Garden Villa mailrooms to be renovated in 2020 are: 3420, 4007, 4009 and 2405. Mailroom renovations will begin in September, starting with building 3420. Each mailroom is completed within a 2 week period.	December 2020 Annual	Budget: $33,867 Exp: $0 Balance: $33,867

8	910 Bldg. Maint	**Gutters - Replacement and Repair**	Gutter replacement is performed on original construction building rain gutters and downspout systems that are exhibiting deterioration. The Board authorized installation of new gutters using a "seamless" gutter system in conjunction with the Mutual's exterior painting of the building to address drainage issues and to prevent foundation problems. This program also addresses gutter repairs performed by VMS staff.	Funds have been budgeted for repairs by in-house staff on an as-needed basis throughout the year. There are currently 60 open tickets for Gutter Repair/Replacement. Some buildings on the exterior paint program, in CDS 201 and 202 have been determined to have drainage issues and will be scheduled for installation of seamless gutter systems by an outside vendor. The installation of gutters is completed in conjunction with the paint program which has been deferred substantially.	December 2020 Annual	Budget: $98,289 Exp: $20,022 Balance: $78,267
9	910 Bldg. Maint	**Exterior Paint Program**	The Mutual has a 10-year full cycle exterior paint program. All exterior components of each building are to be painted every 10 years. The painted components include the body (stucco/siding) as well as the following list in regards to the trim: fascia boards; beams; overhangs; doors; closed soffits; structural and ornamental metal surfaces. Decks are top coated and damaged building address signs are replaced. Lead abatement activities are also performed in conjunction with this program. The following cul-de-sacs/buildings were scheduled for painting during the 2020 Exterior Paint Program: CDS 203, 219, 221, 328, Buildings 3326-3334, 334, 201, 202, and 333.	On May 19th, the Board approved a $750,000 budget reduction to this annual program. Staff is currently working in CDS 203. The Third Board is considering a change to this program which would extend the Exterior Paint Program cycle from 10 years to 15 years.	December 2020 Annual	Budget: $2,055,556 Exp: $736,952 Funding Reduction: $750,000 Balance: $568,604
10	910 Bldg. Maint	**Prior to Paint Program (PTP)**	The Mutual has a 10-year full cycle exterior paint program. Prior to paint dry rot and decking repairs will be performed every 10 years to prepare building surfaces for painting. The following cul-de-sacs/buildings were scheduled for inspection and repair this year: CDS 203, 219, 221, 328, Buildings 3326-3334, 334, 201, 202, and 333.	Repairs are currently in progress in CDS 219 and staff is expected to complete this CDS by the end of December. The Third Board is considering a change to this program which would extend the Prior to Paint Program cycle from 10 years to 15 years.	December 2020 Annual	Budget: $1,470,323 Exp: $295,975 Balance: $1,174,348

11	910 Bldg. Maint	**Balcony & Breezeway Resurfacing**	This mid-cycle program provides for the waterproof topcoat sealing of balcony and breezeway deck surfaces every 5 years. This waterproofing process protects the deck substructure against future dry rot and improves the aesthetics of the deck surface. Prior to applying topcoat, crews conduct an inspection of the deck structure to locate any dry rot or potential safety hazards. The cul-de-sacs scheduled for resurfacing in 2020 were: 213, 343, 352, and 353.	Resurfacing is in progress in CDS 213. The Third Board is considering a change to this program which would extend the mid-cycle Balcony & Breezeway Resurfacing cycle from 5 years to 7.5 years.	December 2020 Annual	Budget: $100,440 Exp: $0 Balance: $100,440
12	920 Projects	**Asphalt Paving Program**	This program is dedicated to preserving the integrity of cul-de-sac street paving. As part of this program, asphalt paving is inspected and rated for wear annually. The 2020 program will consist of 21,539 square feet of paving replacement.	Cul-de-sacs 216, 306; and streets Rayo del Sol and Vista del Mando are scheduled for paving this year. This program is scheduled to begin in September and be completed in October.	November 2020	Budget: $513,461 Exp: $0 Balance: $513,461
13	920 Projects	**Seal Coat Program**	This program is funded to extend the life of the asphalt paving by sealing asphalt cracks and applying a bituminous slurry seal to the asphalt surface preventing water intrusion and protecting the asphalt from deterioration. The 2020 program consists of 21 cul-de-sacs.	The seal coat program work includes 430,427 SF of cul-de-sac pavement area. The CDS and buildings scheduled for the 2020 program include: CDS 213, 223, 304, 317, 330-A, 336, 340, 343, 348, 360, 362, 366, 373, 378, 404; buildings 3156, 3162, 3179, 3335, 3371 & 3486. Work is scheduled to be completed in September.	September 2020	Budget: $51,651 Exp: $0 Balance: $51,651
14	920 Projects	**Roofing Replacement Program**	This program is dedicated to replacing and maintaining Mutual roofs. Built-up roofs are inspected 15 years after installation. Roofs determined to have reached the end of their serviceable life are scheduled to be replaced with a new PVC cool roof system.	20 buildings totaling 145,863 SF are scheduled for replacement with PVC cool roof systems. This program was scheduled to begin in late March but due to the pandemic, the roofing program began on June 8. As of August 31, 9 of 20 buildings have been completed.	December 2020	Budget: $1,075,010 Exp: $302,625 Balance: $772,385
15	920 Projects	**Emergency Roof Repair Program**	Funding is allocated as a contingency to preserve the serviceable life of roofs by performing emergent requests for roof repairs as they are received.	During inclement weather when emergency roof leak requests are received, staff schedules the roofing contractor to investigate roof related issues. If required, the roofing contractor will provide the necessary repairs. This program is considered an essential function and it is ongoing.	December 2020	Budget: $110,000 Exp: $136,972 Balance: -$26,972
16	920 Projects	**Roof Replacement - Light weight Roofs**	Beginning with the 2020 Business Plan, the Board elected to initiate the Light Weight Tile Replacement program to address premature failure of existing tile roofs. Light weight tile roofs will be replaced with composition shingle roof systems.	Two buildings totaling 14,354 SF are scheduled for replacement with composition shingle roof systems. This program is scheduled to begin in September and be complete in December.	December 2020	Budget: $100,478 Exp: $0 Balance: $100,478

17	904 Maint Svc	**Epoxy Wasteline Remediation**	The Waste Line Remediation Program's objective is to install seamless liners within the existing waste pipes to mitigate future root intrusion as well as to resolve and prevent future back up problems related to compromised pipes. If there are consistent internal issues, these are also investigated and addressed during the program execution. The program addresses interior as well as exterior waste lines. The program to line pipes commenced in 2011 but did not include interior pipes. Starting in 2017, both, interior and exterior lines are receiving an epoxy liner.	On May 19th, the Board approved a $250,000 budget reduction to the 2020 program. While the primary focus is on three-story buildings this year, other buildings with a high risk for stoppages will also be evaluated for epoxy lining. The three-story buildings take an average of 6-weeks to complete. Total number of buildings in Third Mutual: 1405 Number of buildings left to complete: 1101 There are 5 Garden Villa buildings left to complete this year.	November 2020 Annual	Budget: $1,000,000 Exp: $196,674 Funding Reduction: ($250,000) Balance: $553,326 Cumulative Expenditures from 2011 through 2019: $3,708,372
18	910 Bldg. Maint	**Garden Villa (GV) Laundry Room Flooring Renovations**	This program is funded to replace the laundry room floors of the GV and LH-21 style buildings with epoxy flooring when the existing vinyl flooring is damaged.	The laundry rooms scheduled to receive epoxy flooring are in buildings: 3338, 3363, 3366, 3371, and 4026.	December 2020 Annual	Budget: $47,083 Exp: $0 Balance: $47,083
19	910 Bldg. Maint	**Pest Control for Termites**	This program is dedicated to eradicating dry wood termites from inaccessible areas by tenting buildings for fumigation. The budget also includes funding for local termite treatments and the removal of bees/wasps on an as-needed basis and hotel accommodations during whole structure fumigation.	Local termite treatments and the removal of bees/wasps are performed as-needed throughout the year. **Fumigation (whole structure tenting) has been deferred:** On July 21, 2020, the Third Mutual Board approved to defer the fumigation program due to the pandemic. There were 44 remaining buildings and 1 laundry room that will be rescheduled for fumigation in 2021.	December 2020 Annual	Budget: $364,272 Exp: $22,096 Balance: $342,176

	920 Projects	**Building Address Signs**	This project is intended to upgrade building signage to improve their visibility. The M&C Committee is focused on replacement of the existing building address signs with larger, more visible signs. Staff is using larger, traffic-rated, high reflectivity materials to improve their visibility at night.	**DEFERRED** On May 19th, the Board approved a $30,000 budget reduction for this project, which will defer all address sign installations to 2021.	December 2020	Budget: $30,000 Funding Reduction: ($30,000) Balance: $0

	920 Projects	**Golf Cart Parking and Striping**	This project is funded to add golf cart & vehicle parking spaces where there is adequate spacing. In 2020, Cul de sac 216 will receive 13 new golf cart spaces and 7 new vehicle parking spaces this year.	**DEFERRED** On May 19th, the Board approved a $50,000 budget reduction for this project, which will defer this work to 2021.	December 2020	Budget: $50,000 Funding Reduction: $50,000 Balance: $0
	920 Projects	**Elevator Replacement Program**	This Elevator Replacement Program is funded to replace mechanical equipment. In addition, a specified number of elevator cars are scheduled for interior renovations. In 2020he elevators at buildings 3363, 3366, 4026, 5368 and 5369 are scheduled for equipment replacement & interior renovation this year.	**DEFERRED** On May 19th, the Board approved a budget reduction for the uncommitted balance to this annual program, which will defer this work to 2021. Building 5368 has been completed.	December 2020 Annual	Budget: $255,000 YTD Exp: $124,230 Funding Reduction: $130,770 Balance: $0
	920 Projects	**Water Lines - Copper Pipe Remediation**	This program started in 2008 as a pilot program, and epoxy lining of buildings as-needed, was approved by the Board in 2010. Epoxy lining is intended to extend the life of copper pipe water lines in all buildings which experience a high frequency of copper pipe leaks.	**ON HOLD** The following 9 buildings are scheduled to be epoxy lined in 2020: 2271, 2282, 2302, 3019, 3032, 3039, 3186, 3321 & 4004. The epoxy lining in buildings 3186, 3321, 3032 and 3019 have been completed. A total of 68 Buildings have been epoxy lined to date since 2008. As of 3/19/2020, this program was placed on hold until further notice. The M&C Committee authorized the residents to defer the remaining scheduled work in their buildings until 2021 due to the pandemic.	ON HOLD	Budget: $500,000 Exp: $151,438 Balance: $598,562
	920 Projects	**Preventive Roof Maintenance**	This program is funded to preserve the serviceable life of the roofs through a 5 and 10-year inspection cycle. Roofs are inspected and maintained accordingly. 5 year inspections: 41 bldgs. = 77,279 SF 10 year inspections: 55 bldgs. = 343,201 SF	**COMPLETED**	February 2020	Budget: $130,416 Exp: $130,416 Balance: $0
	920 Projects	**Shepherd's Crook**	As a part of the Conditional Use Permit 1135 with the City of Laguna Woods, the Mutual will remove and replace barbed wire on all perimeter block walls with Shepherd's Crook on a phased approach.	**COMPLETED** To date a total of 6,402 linear feet out of 33,525 LF of Shepherd's Crook has been installed.	December 2020	Budget: $165,000 Exp: $137,928 Balance: $27,072

	920 Projects	**Street Light LED Conversion Project**	In 2018, funding for this program was allocated toward the purchase of the Southern California Edison street light infrastructure. A consultant was retained to assist with the street light acquisition; the retrofit of the existing lighting fixtures to more efficient LED technology, and to perform the operations and maintenance of the asset for three years. On December 11, 2019, the M&C Committee approved the installation of King K427 and Acuity cobra style LED fixtures throughout the Mutual.	**COMPLETED**	2020	Budget: $765,000 Exp: $688,589 Balance: $76,411
	920 Projects	**Parkway Concrete Program**	This program is funded to repair or replace damaged concrete parkways in conjunction with the asphalt paving program. Parkways are inspected for damage and other deficiencies are repaired or replaced accordingly.	**COMPLETED** Invoices are pending.	August 2020	Budget: $160,000 Exp: $5,546 Balance: $154,454

Third Mutual Solar Powerplant Generation

2017 Production

Third Mutual Project	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
2353 Via Mariposa							7,336	11,749	9,151	8,125	5,756	5,807	**47,924**
2381 Via Mariposa							**A**	8,566	5,922	6,211	4,410	5,622	**30,731**
2393 Via Mariposa West							6,283	8,423	7,967	6,712	4,671	4,157	**38,213**
2394 Via Mariposa West							1,789	**B**	2,203	1,029	5,542	5,826	**16,389**
2397 Via Mariposa West							12,437	11,011	8,431	7,446	5,330	3,627	**48,282**
2399 Via Mariposa West							6,206	10,194	7,617	6,703	4,770	4,678	**40,168**
2400 Via Mariposa West							7,282	5,400	8,697	7,668	5,468	5,514	**40,029**
3242 San Amadeo							11,193	9,736	7,256	6,312	4,341	4,433	**43,271**
3243 San Amadeo							10,351	9,449	6,901	4,708	3,409	4,397	**39,215**
3420 Calle Azul							8,381	7,141	5,666	4,971	3,325	3,288	**32,772**
5372 Punta Alta							2,439	8,332	8,216	7,016	5,004	5,081	**36,088**
5510 Paseo Del Lago West							7,962	7,090	5,329	4,628	3,110	3,015	**31,134**
Total Production of kWh =							**81,659**	**97,091**	**83,356**	**71,529**	**55,136**	**55,445**	**444,216**

2018 Production

Third Mutual Project	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
2353 Via Mariposa	5,860	7,790	10,400	12,370	10,730	14,030	13,573	12,057	9,830	8,750	6,630	3,390	**115,410**
2381 Via Mariposa	4,730	3,340	6,210	8,130	8,260	10,360	9,905	10,918	9,090	8,040	6,120	4,000	**89,103**
2393 Via Mariposa West	5,166	6,867	7,876	2,799	10,380	13,260	12,820	11,288	8,970	7,480	5,440	4,440	**96,786**
2394 Via Mariposa West	5,450	8,840	11,420	13,590	12,130	15,450	14,888	13,236	10,770	9,530	7,260	6,100	**128,664**
2397 Via Mariposa West	5,590	7,560	9,400	11,660	10,420	13,510	13,295	11,817	9,610	8,350	6,280	5,250	**112,742**
2399 Via Mariposa West	5,240	6,780	8,680	10,380	9,340	12,030	11,993	10,669	8,680	7,450	5,580	4,640	**101,462**
2400 Via Mariposa West	5,990	7,730	10,130	12,060	10,870	14,150	13,794	12,137	9,850	8,540	6,380	4,580	**116,211**
3242 San Amadeo	4,960	6,340	8,600	10,480	9,570	12,220	12,005	10,177	8,290	6,790	5,090	4,160	**98,682**
3243 San Amadeo	4,192	5,428	7,896	8,896	7,932	9,953	10,144	9,481	8,054	6,514	5,035	4,278	**87,803**
3420 Calle Azul	2,016	2,705	5,128	7,581	6,910	8,744	8,736	7,770	6,221	5,212	4,008	3,334	**68,365**
5372 Punta Alta	5,296	7,220	8,918	11,074	10,012	12,649	12,412	11,369	9,215	7,392	5,853	4,621	**106,031**
5510 Paseo Del Lago West	3,138	4,451	5,679	7,130	6,098	8,283	8,253	7,509	6,151	4,990	3,747	2,965	**68,394**
Total Production of kWh =	**57,628**	**75,051**	**100,337**	**116,150**	**112,652**	**144,639**	**141,818**	**128,428**	**104,731**	**89,038**	**67,423**	**51,758**	**1,189,653**

A (2381) - Unknown Outage
B (2394) - Unknown Outage

Third Laguna Woods Mutual
Solar Panel Performance Report
September 9, 2020

2019 Production

Third Mutual Project	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
2353 Via Mariposa	3,368	5,552	8,329	11,520	11,880	10,870	14,370	13,230	10,120	9,850	5,920	**2,720**	**107,729**
2381 Via Mariposa	4,951	5,431	8,366	9,418	9,650	8,761	11,590	10,590	8,100	7,920	4,950	3,940	**93,667**
2393 Via Mariposa West	4,762	5,917	9,176	10,480	11,170	10,230	13,470	12,000	7,267	8,380	5,070	4,080	**102,002**
2394 Via Mariposa West	6,393	**789**	8,618	12,420	13,060	11,910	15,680	14,370	10,910	10,800	6,790	5,580	**117,320**
2397 Via Mariposa West	5,506	6,497	9,682	10,880	11,210	10,250	13,500	12,440	9,480	9,250	5,840	4,770	**109,305**
2399 Via Mariposa West	4,889	5,796	1,841	**C**	4,692	7,812	12,100	11,170	8,540	8,240	5,210	4,220	**74,510**
2400 Via Mariposa West	3,778	5,036	8,142	9,948	11,760	10,790	14,170	12,930	9,830	9,500	5,940	4,860	**106,684**
3242 San Amadeo	3,856	3,756	8,158	9,671	10,250	9,200	12,000	10,860	8,180	7,510	4,660	3,670	**91,771**
3243 San Amadeo	4,509	4,952	7,669	8,607	8,162	7,510	8,447	8,849	7,359	7,161	4,706	3,832	**81,763**
3420 Calle Azul	3,547	4,197	6,116	7,037	7,019	6,540	7,120	7,838	5,803	5,617	3,799	3,016	**67,649**
5372 Punta Alta	5,133	6,126	9,022	10,380	10,391	9,551	10,742	10,739	7,271	7,731	5,010	4,184	**96,280**
5510 Paseo Del Lago West	3,287	3,939	5,822	6,766	6,759	6,167	7,837	7,520	5,404	5,424	3,520	2,786	**65,231**
Total Production of kWh =	**53,979**	**57,988**	**90,941**	**107,127**	**116,003**	**109,591**	**141,026**	**132,536**	**98,264**	**97,383**	**61,415**	**47,658**	**1,113,911**

2020 Production

Third Mutual Project	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
2353 Via Mariposa	**3,378**	8,145	9,186	10,730	13,940	12,100	14,310	13,210					**84,999**
2381 Via Mariposa	5,150	6,493	6,816	8,450	12,980	11,260	13,380	12,350					**76,879**
2393 Via Mariposa West	5,067	6,794	8,166	9,830	11,690	7,540	8,940	7,120					**65,147**
2394 Via Mariposa West	7,064	8,883	10,050	11,760	15,260	13,210	15,690	14,600					**96,517**
2397 Via Mariposa West	6,068	7,604	8,603	10,080	13,080	11,370	13,440	12,490					**82,735**
2399 Via Mariposa West	5,356	6,763	7,630	8,970	11,690	10,220	12,020	11,160					**73,809**
2400 Via Mariposa West	6,159	7,797	8,910	10,490	13,680	11,940	14,070	12,950					**85,996**
3242 San Amadeo	4,642	6,160	7,423	8,700	11,380	9,850	11,700	10,700					**70,555**
3243 San Amadeo	4,876	5,804	6,880	7,832	9,912	8,431	10,115	10,296					**64,146**
3420 Calle Azul	3,805	4,863	5,637	6,500	8,460	7,327	8,861	8,361					**53,814**
5372 Punta Alta	4,782	6,646	8,045	8,284	10,751	5,673	8,414	11,525					**64,120**
5510 Paseo Del Lago West	3,508	4,514	5,308	4,646	5,995	6,933	7,551	7,754					**46,209**
Total Production of kWh =	**59,855**	**80,466**	**92,654**	**106,272**	**138,818**	**115,854**	**138,491**	**132,516**					**864,926**

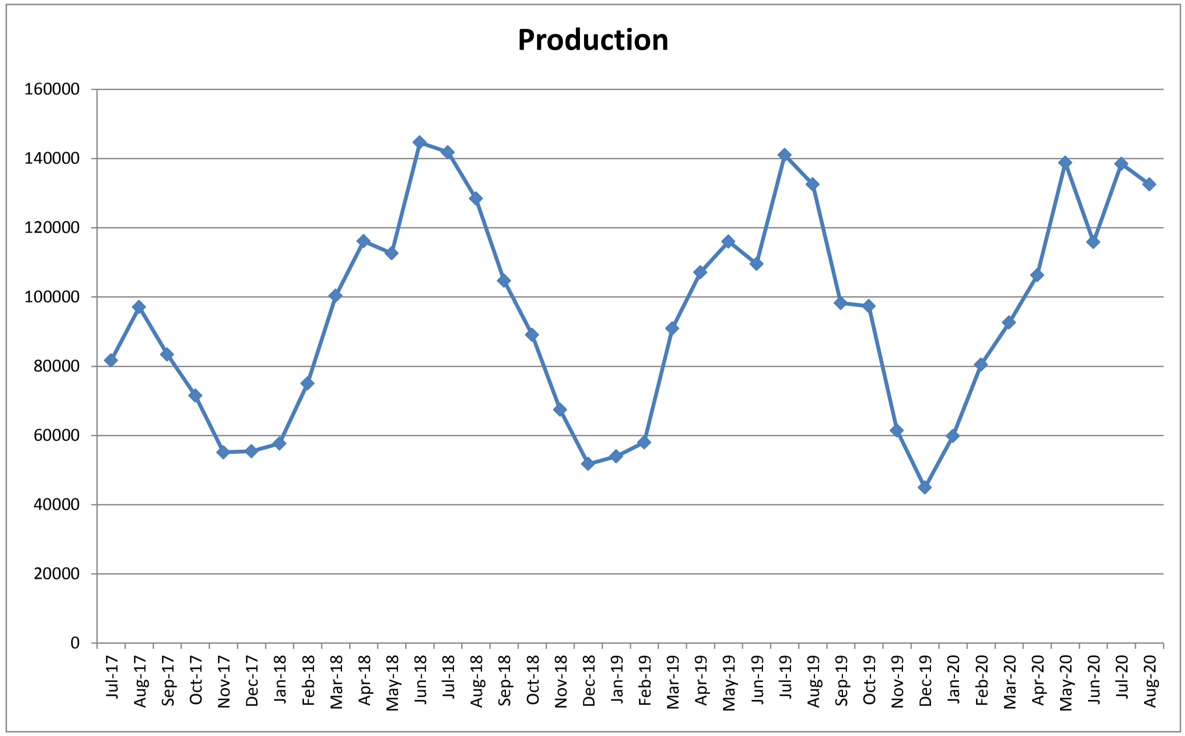
(B2353, December 2019 & January 2020) - This was due to 1 out of 3 inverter's wiring harnesses malfunctioning and needing replacement through the manufacturer. Production data was not recorded but estimated based on 2/3 of the production of an identical setup.
(2394, February 2019) - Replaced power supply due to the power to communication comes on once communication enclosure is opened.
C (2399) - This was due to a conduit becoming damaged after heavy rains.

Third Laguna Woods Mutual
Solar Panel Performance Report
September 9, 2020

Lifetime Production
3,612,706

Total 2020 Repair Costs
$0

Recent Panel Cleanings
5/30/18, 11/15/18, 4/27/19, 9/25/19, 7/16/20



THIRD LAGUNA HILLS
MUTUAL

STAFF REPORT

DATE: September 9, 2020
FOR: Maintenance and Construction Committee
SUBJECT: Amend the Resolution to Extend the Exterior Paint & Prior to Paint Program Cycles to 15 years

RECOMMENDATION

Rescind resolution 03-12-97 and adopt proposed Resolution 03-20-XX (Attachment 1) to amend the current exterior Prior-to-Paint and Paint programs from a 10-year cycle to a 15-year cycle, and extend the mid-cycle balcony and breezeway resurfacing (top coat) program from a 5-year cycle to a 7.5-year cycle.

BACKGROUND

United and Third Mutual expressed a desire to consider the possible extension of the current 10-year paint and prior to paint cycles to a 15-year cycle, in order to maximize the potential of the high quality products being applied, as well as the upgraded surface preparation methodology implemented by VMS staff three years ago. The potential to capitalize on the latest products and practices is relevant if the quality and condition of the building envelop, and its structural components are not negatively impacted by increasing the cycle application. Staff has investigated the possible change and provides their findings and recommendations herein. Deck topcoat applications, Reflective address number sign replacements, and lead testing and RRP (Renovation, Repair and Painting) activities are also performed in conjunction with the Exterior Paint Program.

DISCUSSION

The revision from a 10-year to a 15-year paint and prior to paint program cycle and the change to a 7.5 year cycle for the Balcony and Breezeway Resurfacing (Top Coat) program will extend the length of time to complete a full paint cycle, as it reduces the amount of building structures planned per year. However, the extended cycle will still ensure that the Mutual fulfills its fiduciary responsibility to maintain both the structural integrity and the aesthetic appeal of its buildings, carports and laundry rooms.

When properly designed, built, and maintained, wood structures can last for hundreds of years. However, because of the organic nature of wood it is susceptible to various forms of decay when not protected from the elements. When fungus-favorable conditions are created by substandard design, and/or inadequate construction, and/or poor maintenance, wood structures may sustain deterioration that may be progressive, irreversible, and non-repairable. The primary focus of the prior to paint program is the elimination of dry rot which is a concern throughout Laguna Woods Village. It is essentially wood decay caused by certain species of fungi that digest parts of the wood which give the wood strength and stiffness. The previous Managing Agent allowed the practice of patching dry rot instead of replacement. This allowed the wood rot to spread farther along the wooden components. With oversight of this program through VMS, staff put in place corrective measures to get the wood rot under control. The prior to paint crew ensures that dry rot is removed from walls, beams, breezeways, ramps, trim, fascia, etc. The process of completely removing rotted wood from the structure will extend the life of the building as well as the paint applied to it. Staff is confident that extending the prior to paint cycle will have minimal effect on community's efforts to reduce dry rot on Mutual buildings.

When dry rot is discovered between the 15-year program cycles, whether it be from an exterior building penetration, architectural features exposed to the elements or the deterioration of the moisture barrier behind the stucco, the Mutual has an annually funded General Maintenance Exterior Carpentry Division to address needed repairs. If a resident, staff member or contractor notices potential dry rot they will contact Resident Services who then creates a dry rot inspection ticket for our General Maintenance crew. Simple dry rot repairs will be taken care of immediately, regardless of the building's order in the prior to paint cycle. If the repairs are extensive, the Projects Division will take over so the General Maintenance crew can focus their priorities on service orders and other inspections.

Staff has contacted nearby communities to discuss their paint programs and found that most of the communities do not have a formal paint policy, and their program, if any, was subject to their available reserve funds while being routinely delayed. While we were unable to find empirical data closely matching the unique Southern California climate of warm, dry summers and mild, wet winters, we did contact the experts from both Mutual's paint suppliers, Life Paint & PPG Paints. After several discussions with their team they felt confident that their paint products and the application method we have in place would not result in any premature paint failures during the 15-year cycle. Both paint manufacturers, with a combined industry experience of 192 years have agreed to extend the warranty on their current exterior paint products to 15 years. The written confirmation for the paint and resurfacing top coat products from both Mutual's paint suppliers, Life Paint and PPG Paints, are included as Attachments 2 & 3. This is an excellent time to revise the program to a 15-year cycle with very little risk.

The Third Mutual paint and prior to paint programs consist of 16,495,970 square feet of building surfaces. Using a 15-year cycle we can theorize that approximately 1/15th of the Mutual will be completed each year, which is a reduction of 549,865 square feet per year from the previous 10-year program. Our expectations are that costs will moderately fluctuate from year to year based on a buildings square footage, but overall there will be significant savings to the Mutual.

These program policy revisions will not affect the current level of exterior maintenance services for dry rot repairs, deck repairs, and exterior painting for the remainder of 2020. Due to the furlough of the paint crew and the halt of all non-essential services, the majority of buildings on the 2020 schedule will not be completed this year. If the Board approves the program cycle changes, staff suggests that they take effect at the beginning of the 2021 fiscal year. This will allow staff to reorganize the program schedules to include buildings not completed in 2020.

FINANCIAL ANALYSIS

Based on the 2019 expenditures and productivity of the Exterior Paint and Prior to Paint programs, our estimation is that modifying the paint and prior to paint programs to a 15-year cycle with a 7.5 year Top Coat cycle will save the mutual $713,130 on average per year, or approximately $10.7 million over the next 15-years (Attachment 4: Cost Savings Analysis).

Prepared By: Christopher Naylor, Senior Management Analyst

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

ATTACHMENT(S)

Attachment 1: Proposed Resolution 03-20-XX
Attachment 2: Life Paint Warranty Letter – Top Coat (July 6, 2020)
Attachment 3: PPG Paints Warranty Letter – Exterior Paint Product (July 22, 2020)
Attachment 4: Cost Savings Analysis

Attachment 1: Proposed Resolution 03-20-XX

RESOLUTION 03-20-XX

Cycle Change for Exterior Paint, PTP & Resurfacing Programs

WHEREAS, the Board expressed a desire to extend the current Prior-to-Paint and Exterior Paint programs from a 10-year cycle to a 15-year cycle, for the dry rot preparation and painting of all buildings, carports, and laundry structures; and

WHEREAS, the balcony and breezeway resurfacing (top coat) mid-cycle program will also be extended from a 5-year program to a 7.5-year program cycle to coincide with buildings on the 15-year exterior paint program; and

WHEREAS, this program change will allow the Mutual to realize an annual savings for programs that have a broader life cycle; and to maximize the potential of the high quality products being applied, as well as the upgraded surface preparation methodology implemented by VMS; and

WHEREAS, the product warranties for the exterior paint and resurfacing sealant, as well as the recommended application practices, will increase the long-term condition of the building envelope, and its structural components, without being negatively impacted by the extended cycles.

NOW THEREFORE BE IT RESOLVED, on October 20, 2020, the Board of Directors of this Corporation hereby adopts a 15-year cycle change for the prior to paint and exterior paint programs, and a 7.5-year cycle change for the resurfacing program; and

RESOLVED FURTHER, that the program cycle change will take effect with the 2021 fiscal year; and

RESOLVED FURTHER; that Resolution 03-12-97 adopted July 17, 2012 is hereby superseded and cancelled; and

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

Attachment 2: Life Paint Warranty Letter – Top Coat

LIFE PAINT™

LIFE PAINT CORP.
12927 Sunshine Avenue
P.O. Box 2488
Santa Fe Springs, CA 90670-0488
(XXX) XXX-XXXX
Fax (XXX) XXX-XXXX
www.lifepaint.com

July 6, 2020

Ernesto A. Munoz, P.E.
Maintenance & Construction Director
VMS Inc.

Dear Ernesto:

Thank you for reaching out to us regarding the warranty for our Life Deck Acrylic Color Seal #10-774-WS-2G Beige with Skid-Tex Top Coat. I understand that you would like us to increase our warranty covering this product from 5 years to 7.5 years. Because our 10 Series Color Seal is manufactured using the most durable formulation and is applied by your experienced applicators we will be able to extend our warranty to 7.5 years for the normal application to balconies, decks and walkways.

As a matter of fact, we will offer this extended warranty to all Mutuals; United Laguna Woods, Third Laguna Hills and The Towers Mutual 50 since it is used by each.

Please be aware that the10 Series coating is not a waterproofer on its own. It is however an integral part of some of our Life Deck waterproofing systems.

We are looking forward to the resumption of your painting program and are ready to assist. Feel free to contact Maury Jessner or me for any future needs.

Yours truly,
Michael S. de la Vega
Life Paint
VP Operations

Attachment 3: PPG Paints Warranty Letter – Exterior Paint Product

Gustavo De Los Santos
So. California Sales Manager
PPG Paints
8604 Miramar Rd Suite C.
San Diego California 92126

7/22/2020

Ernesto A. Munoz P.E.
Maintenance & Construction Director
VMS Inc.

Dear Ernesto:

On behalf of PPG Paints I would like to thank you for the continued opportunity to service Third Laguna Hills Mutual coatings needs.

PPG is confident the current specification of products and application method we currently have in place meet your need to extend your current warranty to a 15 year warranty. PPG would agree to extend your warranty to 15 years, starting with the 2020 paint program. Should you choose to approve a 15 year warranty, we would have a revised 15 year warranty for you to review. Thank you again for your continued partnership.

Please feel free to contact me with any questions or comments.

Sincerely,
Gustavo De Los Santos
PPG Paints
Southern California Sales Manager.

Attachment 4 – Cost Savings Analysis

	Programs	
	Exterior Paint	***Prior to Paint***
Savings in Wages	$356,386	$268,826
Savings in Material	$48,364	$39,554
Sub Total Savings Per Program	***$404,750***	***$308,380***
Total Savings per Year	**$713,130**	

THIRD LAGUNA HILLS
MUTUAL

STAFF REPORT

DATE: **September 9, 2020**
FOR: **Maintenance and Construction Committee**
SUBJECT: **Request to Repaint Building 2129**

RECOMMENDATION

Deny the request from Mr. Clive Gurwitz, owner of Manor 2129-D, to have building 2129 painted ahead of schedule for buildings on the Exterior Paint Program.

BACKGROUND

On July 21, 2015 the Board of Directors reviewed various potential paint program scenarios, with the intent of optimizing the ability to address future structural problems such as dry rot. After a detailed review, the Board approved Resolution 03-15-161 which revised the paint program from a 10-year full body paint cycle to a 7.5-year trim cycle and a 15-year full body paint cycle. Building 2129 was painted according to the revised Trim Cycle Paint Program which addressed the building trim components.

On September 20, 2016 the Board rescinded the Trim Cycle Paint Program. Buildings that were part of the trim cycle paint program would next receive a complete paint on the following 10-year cycle, in 2026. There are currently 99 similar buildings that have had the Trim Cycle Paint Program completed.

At the September 9, 2019 M&C Committee meeting Mr. Gurwitz stated that the body of building 2129 was not painted during the Mutual's 10-year Exterior Paint Program and requested the Committee approve the full exterior painting of the building.

Staff assessed the exterior condition of building 2129 and was unable to identify evidence of paint failure and subsequently recommended the request be denied based on the condition of the exterior paint.

At the November 4, 2019 M&C Committee meeting Mr. Gurwitz expressed his disagreement of the denial to paint building 2129 ahead of schedule. Mr. Gurwitz insisted that the existing paint condition of the building is irrelevant to the request, as painting of full body structures on the Mutual's Exterior Paint Program are scheduled on a 10-year cycle and are not identified by the condition of the paint.

DISCUSSION

Staff recently visited the property again and found the exterior paint product applied to building 2129 to be in satisfactory condition. As expected, this light colored building as well as others in the vicinity that are adjacent to the southbound lanes of Highway 5, has started to exhibit the normal accumulation of dust and soot that occurs when homes are located next to a major roadway (Attachment 1). After conducting thorough inspections of building 2129 on several occasions, it was determined that this building does not require a complete exterior paint at this time.

In accordance with the Exterior Paint Program, the building would only qualify to be repainted outside of the scheduled program year, if it failed at protecting the building's exterior surfaces. Examples of paint failure would include: peeling, chipping and blistering of the paint product applied to stucco or wood components. Building 2129 showed no signs of such failure. Therefore, staff is unable to accommodate the Member's request to provide a complete exterior paint at Mutual expense.

Additionally, it should be noted that during the 2021 Business Planning Meetings, the Board has considered amending the current 10-year Exterior Paint program cycle to a 15-year cycle. Staff estimates that building 2129 would receive a complete paint in 2029 and not 2026, as originally scheduled.

FINANCIAL ANALYSIS

If the Committee recommends that the Board authorize building 2129 to be repainted this year, the estimated cost for a full exterior paint is approximately $19,141, using in-house labor and materials.

Prepared By: Christopher Naylor, Senior Management Analyst

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

ATTACHMENT(S)

Attachment 1: Photo's Showing the Current Exterior Condition of Building 2129

Attachment 1: Photo's Showing the Current Exterior Condition of Building 2129

Attachment 1: (continued)

This image shows the sediment that has dripped down creating vertical lines

Attachment 1: (continued)