



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

**Friday, May 4, 2018 - 11:30 AM
Laguna Woods Village Community Center, 24351 El Toro Road
Sycamore Room**

NOTICE OF MEETING AND AGENDA

**The purpose of this meeting is to discuss and consider the resolutions introduced
in March, 2018 that were on 30-day notification.**

- 1. Call meeting to order / Establish Quorum**
- 2. Pledge of Allegiance**
- 3. Approval of Agenda**
- 4. Open Forum (Three Minutes per Speaker)** - *At this time Members may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. There is a maximum time limit of three minutes per speaker and a speaker may only address the Board once during this period. The Board reserves the right to limit the total amount of time allotted for the Open Forum.*
- 5. Responses to Open Forum Speakers**
- 6. Unfinished Business**
 - 6a. Entertain a Motion to Approve a Resolution on a Policy for Alterations of Attics, Soffits and Suspended Ceilings (MARCH initial notification – 30-day notification to conform to Civil Code §4360 has been satisfied)**
 - 6b. Entertain a Motion to Approve a Resolution for Revised Alteration Standards for 19:Balcony Railing Paneling (MARCH initial notification - 30-day notification to conform to Civil Code §4360 has been satisfied)**
 - 6c. Entertain a Motion to Approve a Resolution for a Policy on Closets and Partition Walls (MARCH initial notification - 30-day notification to conform to Civil Code §4360 has been satisfied)**

- 6d. Entertain a Motion to Approve a Resolution for a Tree Topping Policy **(MARCH initial notification - 30-day to conform to Civil Code §4360 has been satisfied)**
- 6e. Entertain a Motion to a Resolution for Electrical Use Reimbursement Policy Revision **(MARCH initial notification - 30-day to conform to Civil Code §4360 has been satisfied)**

7. Director's Comments

8. Adjourn



STAFF REPORT

DATE: May 4, 2018
FOR: Board of Directors
SUBJECT: Approve Policy for Alterations of Attics, Soffits and Suspended Ceilings

RECOMMENDATION

Approve a Resolution on a Policy for Alteration of Attic, Soffits and Suspended Ceilings.

BACKGROUND

On July 20, 2017, the Board passed Resolution 03-17-77 Common Area Use Policy, which restricts the Board from granting exclusive use of common area for alterations. Staff regularly receives numerous requests for alterations involving removal of soffits and suspended ceilings.

This item was brought before the Board on March 20, 2018, in which the Board referred the item to Closed Session for review by legal counsel. In closed session, counsel reviewed and concurred with Staff's recommendation. The Board then referred it to the Architectural Controls and Standards Committee (ACSC) for further review. On March 26, 2018, the ACSC reviewed the staff report and resolution, and voted to recommend the item for approval by the Board.

DISCUSSION

In Third Laguna Woods Mutual, Owners own a separate interest as part of a condominium project which, according to California Civil Code (Code) §4125 (b), "...consists of an undivided interest in common in a portion of real property coupled with a separate interest in space called a unit." The Code defines the limits of that separate interest; §4185(b) "...the interior surfaces of the perimeter walls, floors, ceilings, windows, doors, and outlets located within the separate interest are part of the separate interest and any other portions of the walls, floors, or ceilings are part of the common area."

Since the Code defines the interior surfaces as the limits of the separate interest, the area above soffits and suspended ceilings is common area. Many of the suspended ceilings within the Mutual are seven and one half to eight feet in height. A popular part of many Manor alterations, particularly bathroom and kitchen remodels, is to remove the suspended ceiling and raise the effective ceiling height to the bottom of the structural members.

Since the passing of the Common Area Use Policy, Staff has denied requests for alterations that involve attics, crawl spaces and removal of soffits and suspended ceilings, since it involves the use of common area. Although the Common Area Use Policy and the Code prohibit the exclusive use of common area, the Code does permit an exception for the Board to grant exclusive use of common area; §4600(b)(3)(E) "...to transfer the burden of management and maintenance of any common area that is generally inaccessible and not of general use to the membership at large..." Since the area above suspended ceilings and soffits meets the

requirements set forth in the Code, Staff proposes adopting a policy that specifically addresses soffits and suspended ceilings.

The proposed policy would allow the removal of soffits and suspended ceilings but limit the alteration to the bottom of the structural members of the building. No alterations except those permitted by existing and future Mutual Standards shall be allowed in attics or crawl spaces since these are considered common area and often can be accessed by more than one manor.

Additionally, the Owner would be obligated to follow the Mutual Consent process. Since soffit and suspended ceiling removal is a common and fairly simple alteration, the new policy puts the approval of these alterations at the Staff level. All such alteration requests would require detailed architectural plans (confirming the alteration would not negatively impact structural elements or the structural integrity of the building) and all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Manor owner and all future owners at the Manor. Any alteration request for area above the bottom of the structural members would be treated as a Variance Request.

FINANCIAL ANALYSIS

None

Prepared By: Kurt Wiemann, Permits, Inspections and Restoration Manager

Reviewed By: Eve Morton, Alterations Coordinator

ATTACHMENT(S)

Attachment 1: Resolution 03-18-XXX Policy for Alteration of Soffits and Suspended Ceilings



Resolution 03-18-XXX

Policy for Alteration of Attics, Soffits and Suspended Ceilings

WHEREAS, the Board of Directors of Third Laguna Hills Mutual (“Board”) established policies and procedures for the construction of any alterations, additions and expansions; and

WHEREAS, the Board, through Resolution 03-17-77, adopted and implemented the Common Area Use Policy which restricts the Board from granting use of common area for alterations;

WHEREAS, the Davis-Stirling Common Interest Development Act (“Act”) defines the area above and outside the interior surface of a Manor as common area and Staff receives numerous requests for alterations, including but not limited to, removing suspended ceilings and soffits which, if done, would encroach into this common area;

WHEREAS, the Board has consulted with Staff and legal counsel and determined that the Act permits the granting of exclusive use of use of common area, within the interior of the structure, that is generally inaccessible and not of general use to the membership at large and transfers the responsibility of maintenance and management to the Owner; and

WHEREAS, the Board has determined that the area below the structural members and above suspended ceilings and soffits meets these requirements.

NOW THEREFORE, BE IT RESOLVED, May 4, 2018, that the Board of Directors hereby adopts the following Resolution for establishment of the Policy for Alteration of Soffits and Suspended Ceilings;

RESOLVED FURTHER, an alteration which removes suspended ceilings and soffits that does not negatively affect, or encroach upon, structural members or the structural soundness of the structures that meets the criteria set forth in the Third Architectural Review Procedures may be approved by Staff through the Mutual Consent process;

RESOLVED FURTHER, any such alteration, with the exception of alterations permitted by existing and future Mutual Standards, shall not include any alteration of the structural members or protrude into or affect any space above the lowest part of the structural members; and,

RESOLVED FURTHER, the area above the structural members or outside of the walls of a manor, referred to as attics and crawl spaces, are common area and may not be used for alterations without prior approval of the Board,

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

MARCH Initial Notification
30-Day notification to comply with Civil Code §4360 has been satisfied.

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STAFF REPORT

DATE: May 4, 2018
FOR: Board of Directors
SUBJECT: Revision to Section 19 Balcony Modesty Panels

RECOMMENDATION

Staff recommends the Board approve the following revisions to Mutual Standard Section 19 Balcony Modesty Panels and a policy to assure uniformity to the Community.

BACKGROUND

The Architectural Controls and Standards Committee (ACSC) requested Staff to review and revise the current Alteration Standards for applicability, usefulness, and current technology.

There are currently 40 Alteration Standards available for Members to use to perform alterations to their Manor. Many have not been reviewed or updated for years to reflect changes in technology, materials, and construction methods.

The Architectural Control and Standards Committee (ACSC) requested Staff to revise Mutual standard for Section 19 - Balcony Modesty Panels which was last revised April 2011, Resolution 03-11-50. Staff was also asked to draft a policy designed to promote uniformity within the Mutual regarding balcony railing policies. On February 26, 2018, the ACSC reviewed the staff report and resolution, and voted to recommend the item for approval by the Board.

DISCUSSION

The ACSC has reviewed the existing Alteration Standard Section 19 – Balcony Modesty Panels and determined that the Standard needs to be revised to reflect the current Building Codes, Municipal Codes, or Mutual policies. The proposed revisions to the Standard are as follows:

- 2.1 All ~~balcony modesty~~ railing panels ~~will~~ shall be attached directly to the railing. No panels shall be attached to the building, deck, or flooring.
- 2.2 Paneling height may be up to ~~one foot lower than~~ the top railing; and ~~must reach fully to extend no further than~~ the bottom of the railing. ~~Paneling shall not extend to the balcony deck.~~ Paneling ~~will must~~ cover the railing completely from side to side, and ~~will shall~~ not extend beyond any existing railing.
- 2.3 All paneling ~~will shall~~ be rigid and easily removable.
- 2.5 Paneling may be of white vinyl lattice ~~only as manufactured by Veranda® or Dimensions®; or existing attached, or~~ metal ~~panels that are has no openings or gaps and is~~ painted to match the color of the wall to which the railing is attached ~~may remain.~~

2.6 Paneling ~~will~~ shall be attached ~~only~~ to the inside portion of handrails.

After review of the Standard, the ACSC determined that the following section should be removed from the Standard:

~~**2.4**—Corrugated fiberglass, masonite, and other such less weather-proof items will not be permitted.~~

The revisions to Mutual Standard - Section 19 Balcony Modesty Panels include revising the name to “Section 19 Balcony Railing Paneling” and will now require that new installations are limited to white vinyl lattice. All white vinyl lattice installed must be manufactured by Veranda® or Dimensions®; these products are readily available at Home Depot and Lowe’s respectively.

Additionally, Staff proposes a new policy regarding balcony panels and the paint program. As part of the Prior To Paint Program, Members are currently required to remove their balcony paneling for the paint crews to complete their work. Once the painting crews are finished, Members are permitted to reinstall their balcony paneling. Metal paneling that is permanently attached to the railing is permitted to remain and is painted by Staff to match the building.

To promote uniformity throughout the community, Staff is recommending the Board approve a policy that when Members remove the paneling as part of the prior-to-paint program, upon completion of the painting, Members that desire to replace their panels would be required to use only white vinyl lattice. If the existing paneling is metal, permanently attached to the railing, and was painted by Staff in the Paint Program, it will be permitted to stay.

These revisions would continue to allow members to install privacy panels to their balcony railings, but will focus on maintaining uniformity throughout the community by permitting only vinyl lattice. The installation of all other railing types would be required to go through the variance process.

Prepared By: Brett Crane, Alterations Supervisor

Reviewed By: Kurt Wiemann, Permits, Inspections & Restoration Manager
Eve Morton, Alterations Coordinator

ATTACHMENT(S)

Attachment 1 – Proposed Balcony Railing Panel Policy and Resolution

Attachment 2 – Redline of Revised Mutual Standard 19 “Balcony Railing Panels”

Attachment 3 – Notice to Residents

Attachment 1

RESOLUTION 03-18-XX

Balcony Railing Paneling Policy and Revised Alteration Standard Section 19 – Balcony Modesty Paneling

WHEREAS, the Architectural Controls and Standards Committee endeavors to promote architectural and aesthetic consistency through the Mutual;

WHEREAS, the installation of various types of materials for balcony railing panels on balconies has led to an inconsistent aesthetics within the Mutual;

WHEREAS, during the Prior-to-Paint Program members are required to remove balcony railing panels to allow Staff access to paint the railings; upon completion of painting, Members are permitted to replace the panels after painting;

WHEREAS, the Architectural Controls and Standards Committee recognizes the need to amend Alteration Standards and create new Alteration Standards as necessary; and,

WHEREAS, the Architectural Controls and Standards Committee recognizes the need to revise Alteration Standard Section 19: Balcony Modesty Paneling.

NOW THEREFORE BE IT RESOLVED, May 4, 2018, the Board of Directors adopts this Resolution that shall only allow the installation of balcony railing panels per Alteration Standard Section 19;

RESOLVED FURTHER, the Prior to Paint Program requires Members to remove balcony railing panels from the balcony so the painting crews can complete their work;

RESOLVED FURTHER, when the Member requests to replace the balcony railing panels, unless the existing paneling is metal, permanently attached to the railing, and painted by Staff in the Paint Program, they will be required to conform with Alteration Standard Section 19 to maintain uniformity throughout the community;

RESOLVED FURTHER, that the Board of Directors hereby introduces the following Alteration Standard Section 19 – Balcony Railing Panels;

1.0 GENERAL REQUIREMENTS

See Standard Section 1: General Requirements

2.1 APPLICATIONS

2.2 All balcony railing panels shall be attached directly to the railing. No panels shall be attached to the building, deck, or flooring.

2.3 Paneling height may be up to the top railing and extend no further than the bottom of the railing. Paneling shall not extend to the balcony deck. Paneling must cover the railing completely from side to side, and shall not extend beyond any existing railing.

2.4 All paneling shall be rigid and easily removable.

2.5 Paneling shall be of white vinyl lattice only as manufactured by Veranda® or Dimensions®; existing attached metal panels that are painted to match the color of the wall to which the railing is attached may remain.

2.6 Paneling shall be attached to the inside portion of handrails.

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

March Initial Notification

30-day notification to comply with Civil Code §4360 has been satisfied.

Attachment 2



SECTION 19 BALCONY ~~MODESTY~~ RAILING PANELING

JANUARY 1989

APRIL 1996, RESOLUTION M3-96-28

REVISED JANUARY 2007, RESOLUTION 03-07-01

REVISED APRIL 2011, RESOLUTION 03-11-50

GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49

GENERAL REQUIREMENTS REMOVED JANUARY 2018, RESOLUTION 03-18-XX

REVISED ~~FEBRUARY~~ MARCH 2018, RESOLUTION 03-18-XX

1.1 GENERAL REQUIREMENTS

See Standard Section 1: General Requirements

1.2 PERMITS AND FEES: ~~A Mutual permit is required for all alterations to the building. A City of Laguna Woods permit may be required. All fees for both Mutual and City permits shall be paid for by the Member and/or his or her contractor. Member and/or his or her contractor must provide the Permits and Inspections office with City permit number(s) prior to beginning work.~~

1.3 MEMBERS' RESPONSIBILITY: ~~The Member is solely responsible for the maintenance, repair, and/or removal of all alterations to the building.~~

1.4 CODES AND REGULATIONS: ~~All work shall comply with all applicable local, state, and federal requirements including, but not limited to, the current edition of the National Electric Code (NEC).~~

1.5 WORK HOURS: ~~No work shall commence prior to 7:00a.m. and no work shall be permitted after 6:00p.m. Monday through Friday. Work on Saturday shall be permitted from 9:00a.m. — 2:00p.m. for work which results in construction-related noise (e.g. cutting tile, hammering, use of power tools). For work that does not result in excessive noise, such as painting and carpet installation, permitted hours are 7:00a.m. — 6:00p.m. No work whatsoever shall be permitted on Sunday.~~

1.6 PLANS: ~~The Member applying for a permit shall provide to the Permits and Inspections office a detailed plan(s) for approval~~



indicating all work to be done, i.e., size, location, description and specifications.

1.7 ~~**DUMPSITES:** The premises shall be kept free of accumulation of waste materials and/or rubbish caused by construction work. The Member and/or his or her contractor is responsible for removal of debris and excess material and must leave work areas "BROOM-CLEAN" daily. **USE OF COMMUNITY DUMPSITES FOR CONSTRUCTION RELATED DUMPING IS NOT PERMITTED.** Contractor's or Member's dumpsters, if required, must have location approved by the Permits and Inspections office.~~

1.8 ~~**CONTRACTOR:** Installation must be performed by a California licensed contractor of the appropriate trade.~~

1.9 ~~**CONTRACTOR'S CONDUCT:** Member's contractor's, their personnel, and sub-contractors shall refrain at all times from using profanity, abusive or loud language, and must wear shirts at all times. Radio, MP3, CD or cassette players are not permitted on the project site. Contractor personnel will, at all times, extend and exhibit a courteous demeanor to residents.~~

2.1 **APPLICATIONS**

2.2 All ~~balcony modesty railing~~ panels ~~will shall~~ be attached directly to the railing. No panels shall be attached to the building, deck, or flooring.

2.3 Paneling height may be up to ~~one foot lower than~~ the top railing; and ~~must reach fully to extend no further than~~ the bottom of the railing. ~~Paneling shall not extend to the balcony deck.~~ Paneling ~~will must~~ cover the railing completely from side to side, and ~~will shall~~ not extend beyond any existing railing.

2.4 All paneling ~~will shall~~ be rigid and easily removable.



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- 2.5** ~~Corrugated fiberglass, masonite, and other such less weather-proof items will not be permitted.~~
- 2.54** Paneling may be of white vinyl lattice only as manufactured by Veranda® or Dimensions®; ~~or existing attached~~ metal panels that that has no openings or gaps and is are painted to match the color of the wall to which the railing is attached may remain.
- 2.65** Paneling will shall be attached only to the inside portion of handrails.

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Attachment 3



March 14, 2018

«Name»
«Address1»
«Address2»

Re: Building «XXXX», Laguna Woods Village
EXTERIOR PAINT PROGRAM NOTIFICATION

Dear «Salutation»,

This is a courtesy notice to advise you that your building will be addressed as a part of the Third Laguna Hills Mutual 2018 Exterior Paint Program. To maximize efficiencies, a series of projects will be coordinated with the scope of the paint program. These programs include building inspections, dry rot prevention and repair, and decking repair. You will receive further notification at a later date as to the exact dates that your building will be scheduled for these projects during the course of the year.

Painting Process and Color Selection

The painting process will include pressure washing, preparation and painting of exterior components of the building. The Mutual's representative will contact you in advance of the work to request your vote for the paint colors to be applied to the building. You will be shown a selection of Board approved colors from which you will be asked to cast your vote. Further details of the color selection process will be provided by the Mutual's representative at a later date.

Dry Rot Prevention and Repair

To protect the structural integrity of your building, the Mutual will perform inspections to determine the extent of work that will be required to remove and/or repair dry rot damaged materials. Necessary repairs that are the Mutual's responsibility will be performed when possible prior to painting of the building. In some cases it may be necessary for members to remove alterations to allow the Mutual to conduct repairs to Mutual property.

Structural alterations: Mutual members are responsible for ensuring that all structural alterations to their manor, including patio covers, are in a state of good repair prior to painting. Structural alterations will not be painted by the Mutual. Such alterations must be repaired and painted by the responsible member.

Deck Coating: Previously coated decking surfaces will be re-coated during the paint program cycle. Re-coating of the decking will require the removal of flooring materials such as indoor/outdoor carpet. The replacement of non-standard flooring material is the responsibility of the manor owner, not the Mutual. Members who wish to install flooring material over the patio or balcony floor should contact Resident Services in the Laguna Woods Village Community Center before proceeding.

Balcony Railing Covers: All balcony railing panels or screening (privacy panels) must be removed prior to painting. Effective April 17, 2018, only white lattice panels, per Alteration Standard #19, may be installed after the paint is complete. Members who wish to install balcony railing panels must contact the Alterations Division before proceeding (597-4616).

We will strive to coordinate the above work to minimize resident disruption. We thank you in advance, for your patience and cooperation. You may direct any questions to the Maintenance Programs Coordinator, Melody Thomas at 949-268-2286.

Sincerely,

Maintenance Operations



STAFF REPORT

DATE: May 4, 2018
FOR: Board of Directors
SUBJECT: Closets and Interior Partition Walls Policy

RECOMMENDATION

Approve a Resolution to introduce the Closets and Interior Partitions Policy.

BACKGROUND

The Architectural Controls and Standards Committee (ACSC) reviews numerous Variance Requests to relocate closets and small sections of walls to accommodate minor alterations. Staff has reviewed the history and typicality of the requests and developed an alternative to the lengthy Variance Request process.

DISCUSSION

Staff reviews numerous requests each year for minor alterations that are controlled by over-the-counter Mutual Consents, such as kitchen improvements and water heater relocations. When one of these alterations involves relocating a partition wall, because the existing Alteration Standards do not cover all possible scenarios, the alteration would be automatically reviewed as a variance. In an effort to reduce the number of Variance Requests and reduce the time for alteration approval, Staff has reviewed previous Variance Requests that include minor partition wall revisions.

After completing the review, staff has determined that developing an Alteration Standard that would be able to encompass all possible variations would be problematic. Consequently Staff has developed the Closets and Interior Partitions Policy that would give the discretion to approve minor alterations that include a minor wall revision at the Staff level.

The proposed policy would allow Staff to approve minor, non load-bearing wall relocations, such as those necessary for closets, kitchen partitions, and water heater closets, when reviewing Mutual Consent applications. The policy would restrict Staff from approving wall relocations that affect room usage, create new rooms, or affect load bearing walls. Those alterations would still be required to go through the variance process.

FINANCIAL ANALYSIS

None

Third Laguna Hills Mutual
Closets and Interior Partition Walls Policy
May 4, 2018

Prepared By: Kurt Wiemann, Permits, Alterations and Restoration Manager

Reviewed By: Eve Morton, Alterations Coordinator

Committee Routing: Architectural Controls and Standards Committee

ATTACHMENT(S)

Attachment 1: Closets and Interior Partitions Policy

ATTACHMENT 1

Closets and Interior Partition Walls Policy

RESOLUTION 03-18-XXX

WHEREAS, the Architectural Control and Standards Committee directed Staff to create a policy pertaining to closets and interior partition walls for members who are proposing to repurpose or relocate a closet or partition wall within their Manor.

NOW THEREFORE BE IT RESOLVED, May 4, 2018, that the Board of Directors of this Corporation hereby adopts the following Closets and Partition Walls Policy; and

RESOLVED FURTHER, architectural drawings shall be provided for approval to the Alterations Division Office for review and to meet the intent of this policy, for all non-load-bearing wall (partition wall) revisions including but not limited to closets or panel walls, prior to issuance of a Mutual Consent from the Alterations Department and before construction begins; and

RESOLVED FURTHER, Staff shall thoroughly review the submitted drawings; if Staff determines that the proposed alteration does not affect load bearing walls or alter the original purpose of the room(s), meets the intent of this policy, and conforms to all pertinent Alteration Policies, Staff may issue a Mutual Consent; and

RESOLVED FURTHER, if Staff determines that the proposed alteration does not meet the intent of this policy and the Member desires to pursue the proposed alteration, Staff shall process the request as a Variance for review by the Architectural Controls and Standards Committee; and

RESOLVED FURTHER, all proposals of load-bearing wall revisions will require Board approval via the Variance process; and

RESOLVED FURTHER, any proposed wall revision that would create a new room or change the use of a room will require Board approval through the Variance process; 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.

MARCH Initial Notification

30-Day notification to comply with Civil Code §4360 has been satisfied.

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STAFF REPORT

DATE: May 4, 2018
FOR: Third Board of Directors
SUBJECT: Tree Topping Policy

RECOMMENDATION

Entertain a Motion to Approve a Resolution Establishing a “No Tree Topping” Policy for trees in Third Mutual, with the following exceptions:

1. Staff would be authorized to ‘top’ a tree to treat or eliminate an insect or disease infestation; and
2. Staff would be authorized to ‘top’ a tree that has already been topped and is deemed to not be a candidate for restoration trimming; and
3. **Staff would be authorized to evaluate stands of trees in selected areas when necessary and recommend to the Landscape Committee the selective removal of certain trees within the grouping, while still preserving the overall look and intent of the grouped plantings.**

BACKGROUND

The Landscape Committee approved the proposed “No Tree Topping” policy at the meeting of February 1, 2108 and recommended that the Board approve a resolution establishing a new policy preventing the topping of trees with the three exceptions listed above.

DISCUSSION

Topping of trees is a generalized term that refers to making large cuts to the main trunk or structural branches of a tree. Typically, this type of trimming is performed to lower the height of the tree when it is overgrown or too tall, or that due to its large size, a tree is inherently hazardous. Traditionally, the management of trees in the Village has not included topping trees other than in an attempt to control boring insects. All trimming performed by VMS crews is in conformance with pruning standards adopted by the International Society of Arboriculture. This organization has developed science based pruning standards that support the growth and development of safe, healthy trees and does not support the topping of trees.

Typically, staff does not perform topping of trees due to the multitude of negative consequences to the health and structural integrity of the tree. Topping trees to establish or preserve views would be problematic and result in higher trimming costs and/or reduced annual productivity, and therefore is not recommended. If necessary, tree removal is a better option. Crown reduction is a trimming method utilized to properly reduce the height of trees, but will increase the chances of insect or disease attacking the tree. It is an alternative course

of action when the tree is too large for the aerial space. It is much more costly due to the higher number of labor hours required to complete the job

FINANCIAL ANALYSIS

None

Prepared By: Bruce Hartley, General Services Director

Reviewed By: Brad Hudson, CEO

Committee Routing: Landscape Committee

ATTACHMENT(S)

ATT-1: Draft Resolution 03-18-xx

RESOLUTION 03-18-xx
Tree Topping Policy

WHEREAS, the Board of Directors (the “Board”) of Third Laguna Hills Mutual (“Mutual”) held a meeting on May 4, 2018, at which a quorum of the Board was present;

WHEREAS, pursuant to the Mutual’s Governing Documents, the Association, acting through the Board, is responsible for the management and upkeep of the Mutual’s common areas, including the landscaping and trees;

WHEREAS, the Third Mutual Landscape Committee recommended the establishment of a “No Tree Topping” Policy for trees in Third Mutual, with the following exceptions:

1. Staff would be authorized to ‘top’ a tree to treat or eliminate an insect or disease infestation; and
2. Staff would be authorized to ‘top’ a tree that has already been topped and is deemed to not be a candidate for restoration trimming; and
3. Staff would be authorized to evaluate stands of trees in selected areas when necessary and recommend to the Landscape Committee the selective removal of certain trees within the grouping, while still preserving the overall look and intent of the grouped plantings.

NOW, THEREFORE BE IT RESOLVED, May 4, 2018 that the Board of the Mutual hereby approves the “No Tree Topping” policy for the management of trees within the Mutual’s common areas.

RESOLVED FURTHER, that the officers and agents of the Mutual are hereby authorized on behalf of the Mutual to carry out this Resolution.

MARCH Initial Notification
30-day notification to comply with Civil Code §4360 has been satisfied.

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STAFF REPORT

DATE: May 4, 2018
FOR: Board of Directors
SUBJECT: Electrical Use Reimbursement Policy Revisions

RECOMMENDATION

Approve a revised Electricity Usage Reimbursement Policy and Resolution which will offer a standard reimbursement rate on a per room basis, for excess electricity used during moisture intrusion events where dry-down of the property is required (Attachment 1).

BACKGROUND

The current Electricity Usage Reimbursement Policy (Resolution 03-11-48) adopted April 19, 2011 authorizes staff to process reimbursements to members for electricity consumption related to the restoration of manors as a result of moisture intrusion events as well as for excess electricity consumed due to hot water supply line leaks.

Currently, for moisture-intrusion events where dry-down equipment such as dehumidifiers and air blowers are required, the Mutual reimburses the resident for electricity used in the dry-down of property, based on an established daily rate for each type of equipment extrapolated for the number of days each type of equipment is in place, as verified by the vendor providing dry-down services.

DISCUSSION

To reimburse residents for the excess electricity caused by the dry-down equipment used during a moisture intrusion event, a time consuming and labor-intensive process must be followed. This process results in a significant amount of staff and resident coordination, paperwork, and calculations to arrive at what is typically a small reimbursement to the resident. The reimbursements can take up to 3 months to process due to the number of requests received from both Mutuals, staff workload, and the coordination with the resident to secure their utility billing information for the period of time in question, which is required to perform the necessary reimbursement calculations. This protracted process often causes frustration to the resident who is waiting for a reimbursement. Residents regularly call Resident Services and other staff members seeking updates and a timeframe for reimbursement.

In fiscal years 2016 and 2017, there were 62 manor owners who received an electrical use reimbursement. The average electrical use reimbursement processed for dry-down of property amounted to \$52.00 per manor. The reimbursements issued ranged from \$5.74 to \$166.94.

During the 2016 and 2017 fiscal years, the average cost to the Mutual for staff time to process the electrical use reimbursements under the current policy amounted to \$158.00 per reimbursement, based on 3.5 hours of staff time for preparation, review of each reimbursement and approval of each check request.

The average total cost of each reimbursement amounts to a Mutual expense of \$210.00 which includes the costs of staff time and the average reimbursement of \$52.00 to the resident, resulting in an inefficient process.

Staff recommends establishing a standard reimbursable rate based on the number of rooms within a manor requiring dry-down services, as determined during the restoration process. The majority of dry-downs occur in only one room. However, there have been instances where several rooms in a manor required the use of dry-down equipment.

The proposed change to the existing Resolution will require the Mutual to reimburse for electricity used in the dry-down of property, for a moisture event, based on a flat rate reimbursement in the amount of \$32.00 for each room. **A closet or hallway will be considered as a room for the purpose of calculating the electrical usage reimbursement.**

This rate is based on the average cost of dry-down services divided by the numbers of rooms in the manor. The proposed policy change will lessen the financial burden to the Mutual to provide electrical use reimbursements and will expedite the reimbursement return time to the member from 8-12 weeks to 2-3 weeks by: 1) eliminating the requirement that vendor invoices be used to certify the dry-down services rendered; and 2) eliminating the requirement that a detailed billing statement be submitted by the member for a precise reimbursable amount to be calculated based on kilowatt usage and electricity tier rates. The proposed process will also reduce the amount of staff time required for each request from 3.5 hours to 30 minutes.

The process for reimbursing the electric cost associated with hot water supply leaks (under slab leaks) will remain unchanged as the number of reimbursements processed annually is very small.

FINANCIAL ANALYSIS

Under the current established policy, the approximate cost to the Mutual for providing the above referenced service is \$158.00 with an average reimbursement to the member of \$32.00 per room. The proposed policy change will reduce the cost born by the Mutual to an average of \$53.00 per reimbursement with a flat rate of \$32.00 per room being dispersed to the member.

Prepared By: Melody Thomas, Maintenance Programs Coordinator

Reviewed By: Olga Torres, Maintenance Operations Specialist
Patrick Cleary, Maintenance Operations Manager
Ernesto Munoz, P.E., Maintenance and Construction Director

ATTACHMENT(S)

Attachment 1 – Proposed Revised Resolution 03-18-XX

ATTACHMENT 1

Resolution 03-18-XX Revised Electricity Usage Reimbursement Policy

WHEREAS, the Mutual has historically reimbursed members for electricity consumption related to the restoration of manors as a result of moisture intrusion, as well as for excess electricity consumed due to hot water supply line leaks; and

NOW THEREFORE BE IT RESOLVED, March 20, 2018, that the Board of Directors of this Corporation hereby adopts the revised Electricity Usage Reimbursement Policy, in accordance with Resolution 03-17-68 (Damage Restoration Policy), as follows:

- For moisture-intrusion events where dry-down of property is required, the Mutual will reimburse for electricity used at a flat rate of \$32.00 for each room requiring the use of dry-down equipment, as verified by the Moisture Intrusion Coordinator. A closet or hallway will be considered as a room for reimbursement purposes.
- For hot water leaks where excess electricity has been consumed, the Mutual will reimburse for excess electricity consumption for a maximum period of three Southern California Edison billing periods, as evidenced by detailed billing statements for each of the three periods involved. Additional electricity use beyond the period of three billing cycles is the responsibility of the Member and is not reimbursable by the Mutual.
- All reimbursements will be charged to the Disaster Fund.

RESOLVED FURTHER, that Resolution 03-11-48 adopted April 19, 2011 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.

MARCH Initial Notification
30-Day notification to comply with Civil Code §4360 has been satisfied.

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