

Manager's Report

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Items Touched On in the Last Meeting

- Special Projects: The 2017 budget didn't provide for any particular items in the "Special Projects" line item category so funds that might have been earmarked for such projects were essentially left as unassigned in the broad category in the budget. When a bill came in for the LED parking lot lighting upgrade that cost was assigned to a new sub account with funds from that unassigned Special Projects category.
- After all of the 2016 expenses had come in there was still \$17,000 surplus that will go into reserves. When you consider that and the unexpected cost of the attorney for the Flats situation, which means VillaRosso had a pretty good year with the budget, which adds up to about \$30,000 in the end.
- Have Arthur Orkin CPA complete a year-end review for 2016.
- The reserve study includes a replacement for the HVAC control panel which has been 100% depreciated and is scheduled for replacement. Cost for this item can be distributed from the reserve fund.
- Rob explains the control panel replacement project
 - Panel confuses itself with data coming in too slowly
 - Some relays don't work.
 - Some items were never included: 10 exhaust fans
 - Problems with the MAU overflowing water
 - CW Industries not able to repair or replace the panel
 - Other companies quoting propriety equipment at highly inflated prices
 - Not proprietary, parts readily available on line
 - Multiple programming including a simple "Basic" scripting language, also uses industry standard language "Modbus" as well as HTML protocols including XML. Right now there are kindergarteners learning the basic programming language.
 - Will be completely available on line
 - Upgraded digital sensors included, new relays and wiring included.
 - 2 Actuators installed in the building are the wrong type, don't work well and might have to be replaced. If the actuator itself needs to be replaced I will do that. I don't

expect the valve it is controlling will need to be replaced , if so I will likely have Frost Line or somebody do that.

- I will provide a user's manual.
 - Cost from two providers: Johnson Controls \$38,000; Automated Building Solutions \$24,000; Williams Management \$13,500.
 - Expect major savings on gas, electricity, and water.
- The Flats: Friedman apparently not moving forward with very much progress since the annual meeting. There has been a meeting at Herrick's office and there is expected 1st draft agreements coming shortly.
 - Not heard anything regarding their 3rd proposal to the Planned Building Group has been approved or not.
 - Not heard a response to the question on the location of the cooling units and whether they will impose a disturbance with excess noise.
 - Theoretically they intend to break ground March 1st.
 - Access to the parking and driveway is part of the construction easement agreement not yet provided. He has rights to his property but there is no easement to the VR driveway or parking lots.
 - Dog weight limit – voted and approved at the last meeting and is now a done deal. Need to publish and distribute the Resolution including the permit issued to current dog owners.
 - 20% Rental Amendment – Trish of White Bare Ankeke had comments about certain practicality issues, but said it is generally doable. She suggested 50% limit, which seemed high. 25% at the present time would provide for one unit available for rental, 30% would provide four. HUD's limit is 50%. Need a supermajority of 67% of homeowners voting in the affirmative. A VillaRosso average of rental rates since 2006 has been distributed by the manager. Cost to produce 1st draft would be about \$600 to \$750, then revisions can be done after that. The regulations outlining how to implement will be incorporated into the amendment. Need to decide what type of grandfathering and how the waiting list will work with turning over existing and hopeful owners who are/wanting to rent. Tell her to produce a first draft the amendment with her best suggestions included.
 - New Trash Service: Waste Management charging us now nearly \$700/month. Quotes from several other contractors have come in, Republic was the cheapest and Alpine came in just a little more, both around \$300/month. Alpine gave us one number and guaranteed no additional charges. Waste Management included many opportunities in the fine print to add additional or increased fees during the contract period. Manager likes Alpine. Alpine serves Brookdale but sometimes comes in very early in the morning, at 5:00am and has been fined by the city because of complaints from some residents at VR. Recommend to switch to Alpine. Their service will include the same volume and service dates. We might consider increasing the recycle pickup to two times a week as the bin is overflowing within a few days. Also want new bins delivered.

- Community Bulletin board. Kathy Sabin proposes a community bulletin board installed in the mail area near the office door. She will provide the board with cost reimbursed by the Board. This will be for open access to anyone who wants to post something, not glass enclosed type. It could go in place of the mission statement on the wall presently. Kathy will buy, Rob will install.
- Floor Drains: Quotes came in for installing 2 new floor drains on P2 to address the large puddles that form during rain and snow melt. Two quotes were provided: Total Plumbing - \$5,800 Blue Sky \$5,000 not including drilling holes and the radar/X-ray locating.
 - Need ground penetrating radar service to locate the post-tensioned cables.
 - The holes are rather specialized: need to be compound holes, bigger on the top than at the bottom.
 - Quotes included cast iron, a cost saving option would be to use ABS (black plastic) which actually be cheaper to maintain. There is a lot of cast iron with lateral splits that are leaking at this time and need to be replaced.
 - Quotes are high. Decision is to get several more quotes.
- LED's in the parking look good. Put out a lot of light. Energy Rebate from Xcel is still pending.

HVAC Control System

The new HVAC control system has been installed and has been running the building in a limited basis since the beginning of March and is now fully functional. Programming is in place but is still undergoing tweaking and refinement. This is especially the case with the cooling tower since it is only recently that it has been warm enough outside to allow it to run. The various components of the heating/cooling system (HVAC) such as the boiler, cooling tower, the make-up air unit, as well as the various pumps and valves that connect them are coordinated by a this single panel that makes adjustments and turns things on and off.

This system is composed of internet-ready modules that perform certain tasks, and the man unit at the top part of the panel that communicates information between them. This panel performs all the functions the last

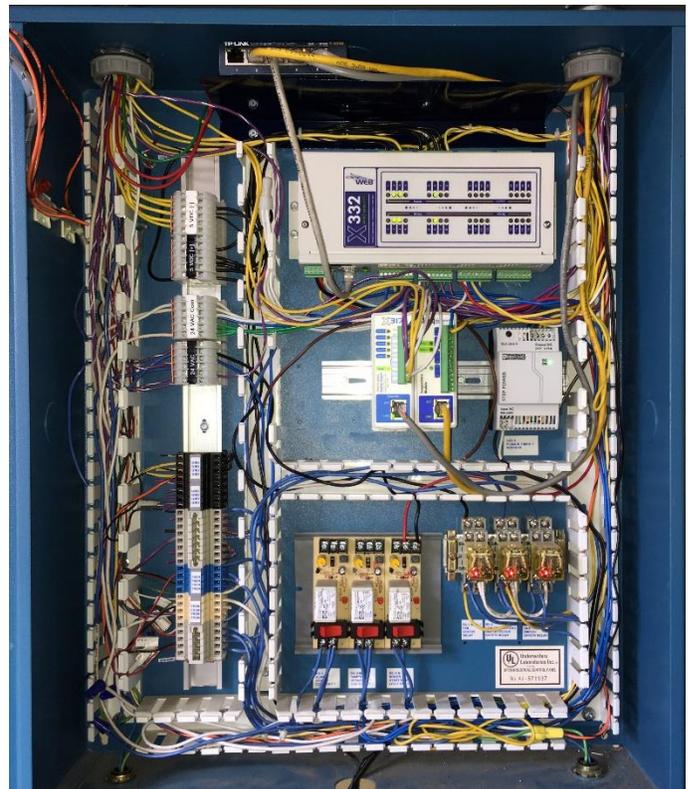


Figure 1 -- New Panel by Williams Management

one was designed to do plus a few other things that will make the building more comfortable, save energy, and provide remote monitoring so maintenance and emergency service procedures can be done more efficiently and at a lower cost.

Features provided that were not included in the old system

- Better coordination between the cooling tower and the boiler so they do not run at the same time in competition with each other.
- Better pump sequencing to lengthen the life of the pumps and save energy (the old panel just let them all run continuously).
- Better coordination with temperature sensors and programming that allows intelligent transfer of heat and cooling within the building.
- Ability to schedule processes by date and time so resources are not used when they are not needed.
- New coordination between the Makeup Air Unit (MAU) and the exhaust fans so when the MAU shuts down for whatever reason, the 10 rooftop exhaust fans also turn off. This prevents air from the garages to be sucked up through the building and each unit.
- The boiler and cooling tower often run at the same time. This means the boiler is actively creating heat by burning large volumes of natural gas and the cooling tower is actively blowing it out into the atmosphere. Obviously that should never happen. It turns out there are numerous scenarios that prompt this behavior. Generally it is due to some rather inadequate programming along with incorrect or outdated set points that should be adjustable but aren't, and/or malfunctioning sensors and valves. In addition there are other issues that contribute to this malfunctioning behavior:
 - The outside air temperature sensor is not connected to anything.
 - Other sensors are too far away to report changes in a timely manner, or the programming is not properly taking this attribute into account.
 - The mixing valves for the heat exchanger and the MAU are not responding fast enough for the changing temperatures of the circulation medium and actually causes confusion within the system itself.
 - The mixing valve for the cooling tower is not adjusted properly or the programming is not calibrated correctly to reflect true values for the valve setting (so it is almost always left somewhat open allowing the hot water from the boiler to run through the cooling tower).
- The relay in the panel that alternates the boiler circulation pumps is not working.
- The status relay that reports on the operation of the MAU fan motor is not connected to anything.
- Much better coordination of the swamp function if the MAU so only water that is necessary is allowed to flow over the distribution media when cooling is called by the panel. Previously, the water was turned on and allow to flow for long periods over the roof deck and down the drains.
- New coordination between a drain valve and the swamp function so water is drained off when temperatures threaten to reach freezing. Previously that valve drained the system every time it was turned on regardless of the temperature outside.
- Monitoring of other HVAC functions has been implemented:

- Power Burner Status
- Fuel for the boiler Status
- Cooling Tower Basin Heater Status
- Building Power Status
- 10 Rooftop Fan Status
- Temperature monitoring for the Boiler Room, Domestic Hot Water Storage, Elevator Equipment Room
- Also have the ability to turn the boiler room lights on/off to facilitate the PTZ camera in the boiler room.
- Ability to program the sending of an email warning and status report via email when certain functions fail or are not working properly. The old panel had a light and buzzer that sounded in the boiler room.
- The new panel has an extensive display of LED status lights, 16 for the relays and 16 for the inputs, which is a convenient way to see what is happening with the panel when in the boiler room. The old panel had no status display lights. Of course, it is also convenient to look on a smart phone for even a more extensive display plus the ability to issue commands.

Additional Features provided as an option

- Control of two circuits of heat tape that is designed to turn itself on at 40°F where it isn't really needed until outside temperature reaches 0°F.
- Control of Boiler Room exhaust fans which are not currently functioning.
- Monitoring and control of the Snow Melt system on P1 garage level.
- Boiler Reset relay for re-powering the boiler when it goes into alarm mode.

New Automatic Actuators installed

Two new automatic actuators that adjust 3-way valves for temperature control have been installed to replace the aging and minimally functioning units that came with the building. Those were actuators that were designed for louvers with a fail-safe feature which isn't needed nor advisable to that application.

[New Waste & Recycling Contract](#)

Initially it was intended to change service providers as our current provider Waste Management service cost had slowly been creeping up to an unacceptable level. We received bids from several companies and decided on Alpine Waste & Recycling, who's bid was \$303.00 with a promise that there were no other hidden fees and only a one year commitment. Waste management, with their 3 year commitment and a plethora of hidden fees that were built into their service agreement allowed for our cost to climb over \$700.00.

In the end Waste Management came back with several counter offers which made their new contract very appealing: 1 year commitment with no hidden fees, and several months of free service which brought the effective monthly cost down to \$224.11/mo. So we are staying with Waste Management for the foreseeable future and saving a substantial amount of money.

New Grounds Maintenance Contract

Tech Center Maintenance (TCM), the maintenance contractor that handles the grounds for the district, including the adjoining greenbelt walkway, the berm on the west side, and the retention pond has submitted a bid for VillaRosso's lawns, trees and bushes. Their quote was lowest of the 5 that were solicited, plus we feel their service level will be very good since they are on-site anyway. They will also handle the flowerbeds, although that contract has not yet been finalized. This is the company responsible for the extensive flower beds in the common areas of the Tech Center that are so well planted and maintained.

New LED light fixtures

New LED light fixtures were installed as an energy-saving upgrade to the parking lot lighting. This was inspired after the light pole was replaced by Waste Management (but not included in VillaRosso cost as Waste Management paid for that replacement). Xcel had come through with a promised energy saving rebate of \$750.00.

New Snow Plowing Contractor

New snow plowing contractor has been signed to take care of plowing and shoveling operations when the present contractor couldn't provide acceptable level of service. The contractor is Rocky Mountain Ponds & Waterfalls. Unfortunately for them but good for our bottom line, there is been virtually no snow this winter and they were only able to plow the property during one snow event.