

Latest Progress/Factual Update on JK Lateral HVAC Pipe Replacement

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I. What's Been Done

- Discussion document was prepared by JK Property Manager and Board and distributed to residents describing the factors and conditions underlying the horizontal and vertical water risers, the actual unit work involved in a lateral pipe replacement program and an estimate of the related owner expense for replacement. Additional copies available in the JK Office.
- Infrastructure Committee (IC) and JK Board have been continuously gathering data and focusing on this capital reserve item over the years—but especially in the past 8 months with a concentration of breaks occurring in 2011. For the record:
 - HVAC lateral breaks first occurred in 1998—with one in James and one in Kilmer. Between 1998 and 2008, there was on average 1 break per year with 3 in Kilmer and 5 in James (and to date limited to 2 bedroom units)
 - NO breaks occurred in 2009.
 - In 2010, there were 4 breaks (3 in James, including a one bedroom and a studio) and 1 in Kilmer.
 - In 2011, there have been 7 breaks to date (5 in James and 2 in Kilmer).
- Engineering plans and specifications for how a system-wide replacement of the pipes could be done have (as requested by the IC and Board in their March and April 2011 meetings) have been received and are being reviewed. There can be a variety of paths or solutions—whether it is a system-wide replacement or a voluntary replacement.

II. Here are Necessary Next Steps – on which JK Management/Board Will Focus/Report

- The Engineering plans and specs are the first critical step and when completed, the IC, Board and Property Manager can determine cost estimates, schedules, logistics (tier by tier or floor by floor, voluntary versus mandatory, etc.).
- With this completed, bid packages can be set to qualified bidders. We will require a consistent and common installation which would meet our building standards, whether it is done on a voluntary or mandatory basis. The goal is to get the best possible price for our owners, based upon an installation program that would be based on volume—not just a ‘one off’ installation process (the latter of which also would not protect owners against the risk of a neighbor’s pipe break, who didn’t complete the lateral HVAC repairs).
- 4 important considerations or challenges for which decisions must be made:
 - **When/how to manage the Timing of Installs during the heating/cooling seasons--** as each would be interrupted since the lateral HVACS feed the residents convectors.
 - **Financing – since the laterals are Limited Common Elements (LCEs), the owners are responsible for the replacement costs--**hence consideration for how to support the financing by owners for this project--if it is mandatory.
 - **The HVAC lateral pipe replacement is as invasive, or more, than the windows project** – as elevator use will be required, and material storage and traffic flows will be impacted (in addition to those already experienced with other ongoing projects).
 - **Project takes as much or more project coordination as windows** with multiple crews, tiers, and timing required with the repair and restoration of the plumbing/walls.