MAHC MESSENGER

VOLUME II ISSUE 5 November 2012

Planting Seeds

ESTHER B. THOMAS, MAHC BOARD MEMBER

Sometimes we wonder whether the classes we present to the MAHC Membership at our Annual Conferences provide information that the attendees are able to take back to their cooperative and actually use to make a difference.

Well, that question was answered when an energetic, bright eyed board member from Birch Run Cooperative, Ms. Wavie Oneal-Kawolo, came up to me and said, "I'm going to plant a community garden for the children, I was just in a class about planting a garden and I know I can do it."

That class Ms. Wavie was referring to was called "Tomatoes Love Carrots," and was presented by Brenda McElhaney. Ms. McElhaney was clearly able to provide the spark that made a cooperative community much better by sending Ms. Oneal-Kawolo on her mission to plant a community garden.

Ms. Wavie wasted no time in making garden plans. The timetable was set, planter boxes were built, and then filled with dirt graciously donated by a vendor. The plants were purchased, planted, and the garden was cared for with love and tenderness, and produced quite a crop!

Ms. Wavie's vision resulted in tomatoes of all varieties, lettuce, onions, squash, potatoes, cucumbers, radishes, celery, and green peppers. These vegetables represent just some of the produce grown at the Birch Run Cooperative Community Garden. The crop was so plentiful even the squirrels got in on the action!

Hats off to you Ms. Wavie for planting a seed.

SPECIAL POINTS OF INTEREST:

- **Perils of Nepotism**
- **Rich Berendson**
- **Plain Talk**

INSIDE THIS ISSUE:

EDITOR-IN-CHIEF

Randall A. Pentiuk, Esq.

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HELP MAHC KEEP RECORDS UP-TO-DATE

Many housing cooperatives hold their annual meetings throughout the year, but fail to report these board changes to MAHC. This results in newsletters not reaching the proper individuals. In addition, management companies may be changed and MAHC is not advised of the change.

Please help us to keep our records current by forwarding any board changes as they occur (a letter or fax will suffice). You need not wait for your membership renewal.

We want the MAHC Messenger to reach the current housing cooperative leadership. Also, we want renewal and other notices to reach current officers in order to avoid interruptions in your cooperative's membership. Thank you.

50 Years of MAHC!

Stay tuned for a list of special events that will commemorate 50 wonderful years of cooperatives with MAHC!

The Perils of Nepotism

RANDALL A. PENTIUK, ESQ. & APRIL E. KNOCH, ESQ.

In the cooperative world, nepotism is the practice of showing favoritism toward one's family members or friends in economic or employment terms. A good example is using the Director's position to give special dispensation to certain individuals or even hiring a friend or relative in a position with the cooperative. This not only has a damaging effect on the overall operation of the cooperative, but also erodes the membership's trust. Further, it may ultimately lead to situations where elections are fixed, member issues are ignored, members who speak out are intimidated, or worse, embezzlement of corporate funds. In recent years we have witnessed flourishing cooperatives that have discovered that the relationships between employees and board members have destroyed member confidence in the Board, and even resulted in tens of thousands embezzled due to cover-ups and favoritism towards family members and friends. In short, Directors should not be related by marriage or blood to other Directors or employees.

Erosion of member trust in the elected individuals is destructive to the cooperative purposes and the continuance of the corporation. The only way to ensure that the loyalty of Directors is first to the cooperative is to create checks and balances through implementation of policies which reiterate the fiduciary obligations of the Directors with his or her acknowledgment and affirmation. We strongly encourage Boards contact their legal counsel to discuss implementation of these policies and, if your coop already has them in place, they should be reviewed for conformity with not only your governing documents, but applicable state law.

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FACT SHEET: Sequestration Would Harm Affordable Housing Programs and Low Income Residents

NAHMA strongly opposes cuts to affordable housing programs, particularly the rental assistance programs. As a result, we strongly urge Congress and the Obama Administration to ensure that sequestration does not harm important housing resources for America's most vulnerable.

On September 13, the Obama Administration released the "OMB Report Pursuant to the Sequestration Transparency Act of 2012 (P. L. 112–155)." The report provides detailed estimates of the Budget Control Act's required sequestration (i.e. mandatory across-the-board spending cuts) to defense and non-defense funding. NAHMA was very concerned to learn that federal affordable housing programs could be cut by 8.2 percent across-the-board (if they are funded at FY 2012 levels) in 2013 due to sequestration.

The Office of Management and Budget (OMB) listed the following federal multifamily housing programs as eligible for sequestration:

- The Department of Housing and Urban Development's (HUD):
  - Project-based Section 8—An estimated cut of $772 million;
  - Tenant-based Section 8 housing choice vouchers—An estimated cut of $1.5 billion;
  - Section 202 elderly housing—An estimated cut of $31 million;
  - Section 811 disabled housing—An estimated cut of $14 million;
  - Community Development Fund—An estimated cut of $279 million;
  - HOME—An estimated cut of $82 million; and
  - Choice Neighborhoods—An estimated cut of $10 million;
- The Department of Agriculture (USDA)-Rural Development's (RD):
  - Section 521 Rural Rental Assistance—An estimated cut of $74 million;
  - The Rural Housing Insurance Fund Program Account (which includes Section 538 and Section 515 loans)—An estimated cut of $42 million; and
  - The Multifamily Revitalization Program—An estimated cut of $1 million.
- These programs are vital to helping low-income families afford safe, quality rental housing across the nation. Sequestration would be disastrous to the project-based Section 8 and other affordable multifamily housing programs.
- It puts jobs, housing for low-income families, and the integrity of federal programs at risk.
- At an industry presentation in September, HUD Secretary Shaun Donovan announced that sequestering HUD's budget could result in a loss of:
  - 53,000 jobs; Housing assistance for ***at least*** 250,000 households—many of which are elderly, disabled, and/or veterans; and homelessness assistance for 100,000 households.

PROFILE: RICH BERENDSON OF MAHC

Rich Berendson sits down with us to share the ins and outs of working behind the scenes of MAHC.

RANDALL A. PENTIUK, ESQ.

Many of you have attended the Annual MAHC Conferences in exciting locations such as Jacksonville, Las Vegas, and San Diego. However, you may not have realized that this elaborate and complex conference is the brainchild of MAHC Secretary, Rich Berendson. Working diligently behind the scenes, Mr. Berendson is constantly organizing and ensuring that things go off without a hitch. Rich has been involved in housing cooperatives for over a decade, and it shows.

Rich Berendson grew up in the northern suburbs of Chicago, and currently works as a visual repair technician at the College of DuPage, where he manages the high-tech classrooms, design, repair, and technology. His love of electronics spreads into every area of his life, especially the area of housing coops. He is currently involved in MAHC, NAHC, his local church, and the Community Emergency Response Team.

At the MAHC Annual Conference

Mr. Berendson is a man who truly has the heart of a servant. When asked what his biggest success in life was, he responded that it was "giving back to the people." Mr. Berendson enjoys giving of his time and talents, and he thrives best when he is in the background making sure everything is working.

Mr. Berendson has been involved with housing coops for over a decade, and before that he was involved in city politics and served as a police officer. He became involved in housing coops when he moved into Cumberland Green Cooperative. He quickly got involved and was elected to the board.

Cont'd on page 6

Meeting Coops from around the US

CONT'D: Rich Berendson

Shortly after he joined the board he met the President of MAHC, Bill Magee, and was brought further into the housing coop world. Mr. Berendson is currently the Secretary of MAHC, and runs the MAHC **website** at www.mahc.coop.

As President of the Board of Directors for Cumberland Green Cooperative, Mr. Berendson has high hopes and plans for the future of his community.

As President of the Board of Directors for Cumberland Green Cooperative, Mr. Berendson has high hopes and plans for the future of his community. One of his goals is to make affordable housing for everyone in the area. Currently Cumberland Green Cooperative has the lowest carrying charges in the area, the property is in outstanding shape, and was recently refurbished both inside and outside. Mr. Berendson believes in teamwork, and that is reflected at Cumberland. He says, "The object is to be a community so that people work together and help each other, and have a say in what happens more than each individual."

Rich teaching how to use a fire extinguisher.

Cumberland Green has an advantage on other cooperatives in the Chicago area. St. Charles, where the cooperative is located, has one of the best school districts in the area, and is one of the friendliest, highest rated communities to live in the suburbs. But if you ask Mr. Berendson if this is due to his work with the cooperative, he will say no. His hope for Cumberland, and for the future of the cooperative community is that people will work together to create a better life for themselves and for others.

The next time you attend a MAHC Annual Conference, look for Mr. Berendson. He will be running the conference and ensuring everything is in place. His work is behind the scenes, organizing and coordinating the details that make MAHC Conferences unforgettable. While he may not crave the spotlight, his work certainly speaks for itself.

PLAIN TALK—REHABILITATION GLOSSARY AND COMMENTS ABOUT BEING CAUTIOUS

HERBERT H. FISHER, ESQ.

It is inevitable. The ravages of time, and the natural elements, take their toll on buildings and their related common areas. Sooner or later the buildings and surrounding improvements must be repaired or replaced. Boards of Directors are prone to leave what appears to be a complex process to their management company, a retained construction manager, a general contractor and/or an architect, only to be disappointed when costly surprises pop up during or after the performance of the work.

One of the handicaps that housing cooperative officers and board members face is that they are confronted with terms they do not understand. Terms of art, words that have particular meaning to those familiar with the construction industry, may as well be Greek to the average layperson.

I often thought that if Board members had a glossary of construction terms available to them, how much simpler and less time consuming the contracting process would be. Moreover, communication between all the necessary parties would be less fraught with misunderstandings, some of which go undiscovered until after all the activities have been completed (and sometimes even after the applicable statutory or contracted statute of limitations have expired (here we go with the first "buzz" word of the trade)). See statute of limitations below.

So let's try our hand and see if my assumption is correct.

Before any payment is made, someone acting on behalf of the Cooperative needs to check the contractor's sworn statements or affidavits and waivers to ensure that the Cooperative protects itself against potential lien claims.

A lawyer, experienced with the state's mechanics lien statute, or a title insurance company, acting as an agent of the Cooperative for the limited purpose of paying the bills associated with the construction, are the only parties capable of evaluating sworn statements/affidavits and waivers to determine if they are legally sufficient. Although management agents, architects and oftentimes even lawyers profess experience in the process, it pays to inquire into the experience and knowledge of any such person before you entrust the job to them.

CONT'D: PLAIN TALK

GLOSSARY OF TERMS:

Approval: An "OK" needed from the architect and/or owner, as required, for specific situations provided by Contract. There are no built in approvals unless provided for by Contract.

Architect: A person trained in the art of design and construction of physical structures. A licensed architect is an architect who has been licensed by the state or jurisdiction in which he does business, as required by state statute. Out of state architects may be permitted to do business in a state other than where licensed with regulatory limitations.

AIA: American Institute of Architects. A voluntary membership trade association with industry-wide stature providing standardization and documentation to the practice of architecture.

Architecture: The art of design and construction of physical structures.

Bids: Responses from contractors on a Bid Form prepared by the Architect or Engineer seeking pricing for the Work described in the Plans and Specifications. Caution: Technically, once the owner accepts the bid without any other qualification, it can be construed as a binding contract enforceable against the owner. Although it is customary in the industry that the acceptance of bids are subject to the negotiation of a full contract, it is advisable that the Bid Form so state and that acceptance is conditioned upon a board resolution approving the bid.

Bond: Payment: To pay for job in event general contractor fails to do so.

Completion: To pay for getting the job done if contractor fails to do so

Builders Risk: A form of insurance coverage that covers risks of loss during construction which property loss and general liability insurance policies may not covered. E.g. loss of work in progress will not be covered by property loss insurance or work related injuries may be excluded from general liability coverage.

Completion: **Partial:** Completion at a specified point in the Work defined by the Contract, usually in the provision governing payments; typically payment is due when a certain percentage of the total work is done, or a certain part of the project is done.

Drawings: The drawn description of the Work to be done, the location and dimensions of the Work to be done. Usually prepared by the Architect or Engineer. See plans and specifications below

Equipment: Either equipment to be installed as part of the Work or the equipment required to be used by the Contractor.

CONT'D: PLAIN TALK

Completion: **Substantial:** When the Work required by the Contract has been done but for certain minor and insubstantial items which do not interfere with the use of the improvement. These minor and insubstantial items, revealed by on-site inspection performed by the contractor and the owner's representative, are referred to as "punch list items". The punch list items are corrected prior to final payment. At the point of Substantial Completion all funds have been paid, except retention.

Final: When the punch list has been completed and retention is paid.

Contract: A written document providing the purpose, terms and consideration or price of the transaction.

Architectural: Between an owner and an architect to provide architectural services

Engineering: Between an owner or architect and an engineer to provide engineering services directly to the owner for owners use, or with an architect or another engineer in support of the first architect or engineer. Engineers fall into specialized categories like structural, mechanical, electrical, etc.

Construction: Usually between an owner and a party to provide the material and do the work or provide the work to achieve the construction or rehabilitation (reconstruction in whole or part) of a structure or structures. Oft times just referred to as The Contract. May be a Rehab Contract, Repair Contract

Construction Manager: Party hired by owner to supervise the Work to be provided by others. All trades or all parts of the part are done by contractors who are prime contractors and not sub contractors.

Contractor's Insurance Liability and Workman's Compensation: insurance provided by the General Contractor and General Contractor's sub contractors.

Contractor's Sworn Statement: An itemized statement, usually broken down by trades, listing who is doing all of the segments of the Work and all materialmen contracted for by the contractor and showing the amount charged for Work or material.. Delivery to the Owner before any Work starts is the initial step towards providing maximum protection for the Owner.

Draws: Term for requesting payment. If not otherwise specified, when the work is completed.

Purchase: A contract between an owner and materialman providing supplies, material or equipment. Sometimes an owner may buy these items directly and have the contractor do the installation where trades work is needed for installation or application, e.g., painting, siding, boilers, shingles

A sworn statement provided by contractor in conjunction with waivers stating who did Work or provided material, the price for all the work done and to be done, amount previously paid, amount to be paid on current draw and balance remaining to be paid when Work done.

CONT'D: PLAIN TALK

Job: The Work contracted to be done, including materials, needed to be done to achieve the Owner's desired results..

Materialman: The vendor of materials or supplies used in the project.

Plans and Specifications: The Plans or Drawings and Specifications prepared by Architect or Engineer. Plans are sometimes referred to as Drawings. The Plans are drawn picture of the area on which work will be done from the entire building or property down to each room or wall to the extent detail may be needed for the notations to be readable. The Specifications are the written compilation describing everything from the condition of the work place, how work is to be performed, the materials to be used and sometimes even the equipment to be used in the performance of the job.

Project: The specific job, group of specific work needed to achieve the owner's goals.

Rehabilitation or Rehab: Where the work is not for new construction, i.e., building of new structures but the repair of existing structures.

Retention: An amount of money withheld from each draw to protect the owner in event of difficulties on the job or the Contractor's default. Usually this amount is 10%. It is a common practice to reduce the percentage to 5% when 75% or so of the job is done. *Caution:* This reduction should be approached cautiously and be conditioned on there not having been any problems on the job, such as stop work orders, a pattern of defective work, etc., recognizing that if the owner has to pay for incomplete or corrective work, it will, in all likelihood, be more expensive than originally priced.

Specifications: The written description of the Work to be done, including detail as to how certain parts of the job are to be done, if not standardized, and what materials and equipment are to be used in doing the Work. Usually prepared by the Architect or Engineer

Statute of Limitations: Time period within which a law suit can be filed set by state law. This period can be shortened by contract.

Sub: The contractor, usually in a specific trade or phase of the project, who is hired by the General Contractor to provide labor and material for that particular part of the project.

Warranty: Normally given by provider of materials. Some warranties are conditioned on their being installed by manufacturer approved contractors or n a specific way. Most warranties are limited warranties which means there is list of exceptions when the warranty will not apply. Get specimen copies of warranties before the contract is completed. Consider making them exhibits to the contract.

Work: What is needed in way of labor, material and equipment to do the Job.

Waiver: A document required by statute where contractors, subcontractors, materialmen, architects, engineers, deliverymen, surveyors and possible others who render service resulting in enhancement of property value relinquish rights to place a lien on the property which can result in foreclosure to force the sale of the property to satisfy the debt for the unpaid service. See Contractor's Sworn Statement

• • •

COMMENTS: The process begins when the Cooperative determines it needs to have work done. The Cooperative or its agent contacts a contractor to do the job, whereupon the contractor will visit the site, and some time thereafter, submit its proposal to perform the work contemplated. Very often the proposal contains only a brief statement of the work to be done and the price. Prudence, however, dictates that the agreement should also provide at a minimum:

General:
The contractor who assumes the responsibility for the entire project; may or may not provide any of the material or labor but subcontracts with the trades or materialmen who will supply the specific jobs which are part of the overall project

Guarantee:
Oftimes the word used is Warranty. A contractor may guarantee that his work will be done in a good and workmanlike manner or by some other such description and will redo it if not within a specified period of time.

CONT'D: PLAIN TALK

a specific description of the work; a starting date and completion date; warranties for material and workmanship; insurance requirements; who and how often is construction debris removed and at whose expense a representation by the contractor that the work will be performed in a manner so as to minimize disturbances to the residents; a representation by the contractor that he will not damage any part of the property not otherwise earmarked for demolition; permits to be secured, if required; and a schedule of payment, to include the number of installments, frequency and amount of each disbursement, and the conditions upon which payment will be made, usually inspection and approval by the Cooperative or its representative.

Alternatively, if the work contemplated is complex, or if it involves the basic structure of the building, the cooperative should hire an architect to analyze the problem and make recommendations as to scope of work needed; and upon owner's approval, draft plans and specifications. Once the plans and specifications have been completed, Contractors will bid on the job as described in the plans and specs. Thereupon the Cooperative , with the advice of the architect, will select a contractor to do the job and a contract will be drafted, based on the plans and specs, with terms to include the minimum conditions set out above.

Work Inspections: Once the project commences, someone, acting on behalf of the Cooperative, needs to check on the execution of the work to confirm that the work has been performed in accordance with the contract. This job is best left to someone familiar with construction or repair techniques and materials, as well as any applicable building code requirements. If an architect is involved, the architect will inspect the work. Usually, the inspection takes place only when the contractor has notified the Cooperative that it has completed the work, or an agreed upon stage of the work, and that the contractor is thus entitled to payment.

Payment and Waivers: Every State in the Union affords unpaid contractors and materialmen a claim enforceable against real estate whenever such persons have expended labor or supplied materials in connection with the improvement of the property. This claim is known as a mechanic's lien.

In order to avoid problems arising out of any such claims, the Cooperative must insist that the contractor identify all subcontractors and materialmen involved in the work, detailing the amount owed to each. It is vital that this information is received by the Cooperative PRIOR to the issuance of any payment.

The disclosure usually takes the form of a sworn written statement or affidavit, and need to be accompanied by legally sufficient written waivers of lien, who provided labor or material or services or equipment to the job signed by everyone.

Risk Taking:
All contract work activity involves risk.

Will the contractor show up?

Will the work get done right?

Will the work get done in a timely fashion?

What if the contractor causes damage on the property?

What if the contractor injures or kills someone?

What if the contractor fails to pay employees, subcontractors or suppliers?

What if parties unknown to the Cooperative perform work at, or provide materials to, the property?

Risks can never be eliminated, only reduced and controlled.

CONT'D: PLAIN TALK

Types of Contracts: Just because a document bears the name "Contract" do not assume that your interests are adequately protected.

The simple, pre-printed contract supplied by a contractor usually says nothing but "I will do the work and you pay me."

Are you now ready to take on that contract? And the contractor? And the architect?

The more sophisticated AIA contract forms are better. However, in my opinion, and the opinion of other owners' lawyers, these documents strive to protect the architect and the contractor to the utmost, but not necessarily the Owner.

For example, while there is language in the AIA forms creating a principal - agent relationship between the architect and the Cooperative, the AIA documents make it clear that the Cooperative retains the architect in order to utilize his expertise in the design and construction of physical structures, and NOT to act as the eyes and ears of ownership in the day to day supervision of the general contractor and the work. Simply put: the architect is not contractually bound to the Cooperative to be its agent for that specific purpose.

Bonding: Oft times a job is too small to justify the bond premium or the bond premium gets to be too big because of the large dollar amount of the job. Premiums are set depending on the insurance company's evaluation of the contractor. In Chicago area, they usually start at 1% of the contract amount. Thought should be given to require the bonding at Owner's option requiring the Contractor to get a quote. This allows the Owner to get an insurance company's evaluation of the contractor. It answers the question "Are you bondable?"

Insurance: In short, pay attention to the insurance carried by the contractor, and require that the contractor require all subs (all parties coming onto the Cooperative's property) to carry similar insurance. Watch the insurance limits. Be sure they are compatible of what should be carried in your area based upon what verdicts are coming through your local court system where any case against you will be tried. Strive to pass potential risks arising out of the work to the contractor's insurance company.

This is done by being named an "additional insured" on the contractor's policy.

The contractor's policy should provide the Cooperative with primary and contract liability coverage and waive any rights to be reimbursed in whole or part by the Cooperative or the Cooperative's insurance company.

The contract should provide a provision that the contractor indemnify the Cooperative for any claims arising out of the Contractor's work on the premises and the contractor liability coverage may be needed to provide insurance funding for that indemnification undertaking.

The extent that a cooperative may wish to bargain for more is a matter of negotiability in a particular locality. The courts have been loaded with cases dealing with policy coverage for additional insured's dealing with insurance companies revising policy language to attempt restrict a contractor's policy's exposure to additional insureds.

Are you now ready to take on that contract? And the contractor? And the architect?

MAHC LAS VEGAS 2013

Join us on June 2-6 for the 2013 MAHC Annual Conference in LAS VEGAS!!

MAHC Is Going ***GREEN***!!

(at least we're going to try)

But we need ***YOUR*** help to do this. If you currently receive the **MAHC Messenger** and you have an e-mail address, please ***email*** Carolyn Jackson at CarolynMAHC@aol.com and include the following information:

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CHICAGO HOUSING COOPERATIVE
MAKES THE SWITCH TO HIGH EFFICIENCY HEATING

Submitted by Marlene Dau

PROPERTY PROFILE	INSTALLATION	MOD CON PROFILE	ECONOMICS
LOCATION: Noble Square Cooperative **PROPERTY:** 27 floor multi-family **INSTALLING CONTRACTOR:** Jackie Loftis, EMCOR **PLANT REDESIGN** Bill Bailey, TEC	**APPLICATIONS:** **Radiant Heating:** (10) Mod Con 850 **Make-up Air:** (2) Mod Con 850 **Domestic Hot water:** (4) Mod Con 850 VWH (2) 175 gal. ASME Tank	**MODEL NUMBER:** Mod Con 850 **FUEL TYPE:** Natural Gas **THERMAL EFFICIENCY:** 94 % **BTU / INPUT RANGE:** 170,000 BTU - 850,000	**INSTALLATION COST:** $648,300* **REBATE:** $50,600 **TOTAL FIRST YEAR SAVINGS:** $103,727.59 **SAVINGS PERCENTAGE YEAR OVER YEAR:** 32%

*COST INCLUDES LABOR, PARTS AND MATERIALS, BEFORE REBATE

After 43 years of operation, the Noble Square Cooperative group decided it was time to upgrade the heating system. High efficiency was a must-have in choosing the best system for the building in order to save on the rising costs of heating, while providing the comforts of heating and hot water to tenants.

Leveraging an existing relationship with the owners, Noble Square's installing contractor worked together with possible bidders for the heating system job. Noble Square was able to recalculate their Cooperative Heating Loads on a 40+ year old radiant ceiling system and downsized to make price competitive with other designs by using high efficiency condensing commercial boilers.

An HTP Mod Con boiler was delivered to a board meeting offering board members a chance to familiarize themselves with the compact design of the boiler. Present at this meeting were vendors' employees to ensure that all questions were answered 100% of the time. These efforts, along with expert knowledge of the utility rebate program helped secure the job.

Noble Square Cooperative offers one & two bedroom units, as well as three bedroom townhouses, for cooperative ownership in Chicago, Illinois. With a total of 312 housing units, Noble Square is the current residency for 324 individuals spread throughout 27 floors. Noble Square Cooperative utilized the original heating equipment installed during the opening in 1969.

The original heating system consisted of two commercial mid-efficiency boilers estimated run at about 65% efficiency with an input of 7,625,000 BTU each. A single boiler with a BTU each. A single boiler with a BTU input of 4,320,000 provided domestic hot water to the housing unit through an instantaneous heat exchanger. In order to replace the existing system, the new system design would have to handle the current load for the domestic hot water, radiant ceiling and make-up air systems.

BEFORE NEW SYSTEM INSTALLATION

In order to save on heating costs, the system was replaced by 16 Mod Con boilers and volume water heater units total, operating at 94% efficiency and 850 BTU each, totaling 13.6 million BTU. Ten Mod Con units were designated to operate in banks of 5 boilers, each bank with its own master boiler. The banks were split to serve heat to the northern and southern regions of the building. The make-up air system utilizes operation of two of the Mod Con boilers, while four Mod Con Volume Water Heaters work together with two 175 gal. ASME storage tanks in order to provide domestic hot water.

COMPACT STACKED MOD CON 850 AFTER INSTALLATION

The new HTP Mod Con boilers have been in service since installation on May 31, 2011. From the very beginning Noble Square Cooperative noticed an exponential difference in their heating bills, especially as they entered into the colder winter months.

Energy savings prior to installation were projected at approximately 20 percent or $68,400 per year. After careful project savings analysis it was determined that the 16 HTP Mod Con 850 boilers and volume water heaters saved much more than that. Savings for the property totaled $103,727.59, totaling 32% during the first year of operation. With an installation cost of $648,300 that included manual labor, parts and materials, and a $50,000 People Gas Utility Rebate, payback will be achieved in just about seven year's time.

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in

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