

# MILANI PLUMBING HEATING AIR CONDITIONING

Phone 604-888-8888

commercialservices@milani.ca

5526 Kingsway St. Burnaby BC.

Jan 16<sup>th</sup> 2026

BC Residential Tenancy Branch  
5021 Kingsway  
Burnaby, BC  
V5H 4A5

Dear Sirs/Mesdames:

Re: Additional Rent Increase Application for 4960 and 5050 Sanders Street, Burnaby,  
British Columbia (the “**Buildings**”)

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I am the Commercial Services Division Manager and the Vancouver Island Regional Manager at Milani Plumbing Drainage & Heating Ltd. (“**Milani**”). Milani has over 60 years’ experience servicing plumbing, drainage and heating systems for both commercial and residential buildings.

Milani was hired by the owners of the Buildings, RealStar Apartment Partnership 3 and Horizon Towers Holding Ltd. (collectively, the “**Landlord**”) to provide preventative maintenance services at both Buildings. Milani was also hired by the Landlord to complete several large-scale capital expenditure projects at the Buildings. I am familiar with both the preventative maintenance services and capital expenditure projects Milani was responsible for at both Buildings in my role as the Commercial Services Division Manager at Milani.

#### Preventative Maintenance Services:

Milani has provided preventative maintenance services at both Buildings since approximately 2014. The current preventative maintenance agreement between Milani and the Landlord (which started January 1, 2025) will expire December 31, 2029 (the “**PMA**”).

As part of its preventative maintenance services, Milani attends at the Buildings quarterly and inspects the equipment listed at Schedule A of the PMA. After each visit, Milani provides the Landlord with a preventative maintenance summary report for each Building (the “**Preventative Maintenance Summary Report**”). Milani also attends the Buildings on an as needed basis, in the event repairs or investigations are required between quarterly site visits.

The Preventative Maintenance Summary Reports include a Mechanical Systems Equipment Condition Summary. In this summary, Milani provides a rating of the condition of the equipment at each Building. These reports also include a Mechanical Systems Repair Recommendations section, in which Milani provides recommendations for work to be performed at the Buildings. With each recommendation, Milani provides a priority for the work. Milani also typically provides a quote for the recommended work.

It typically takes Milani approximately 2 weeks to 2 months to complete the Preventative Maintenance Summary Report after a site visit. The length of time between each site visit and when Milani provides the Preventative Maintenance Summary Report to the Landlord depends on the recommended work and the length of time it takes to complete a quote or quotes for the recommended work. This depends on factors such as the difficulty in sourcing and pricing parts for the work and our overall workload.

## The Heating Boiler Replacement at 5050 Sanders Street (“Building A”)

As a result of a site visit to Building A on January 27, 2023, we recommended the Laars Boilers (supplying heat to Building A) be replaced. At this time, the Laars Boilers were approximately 18 years old (installed in around 2005). The Raypak Boilers (which supply domestic hot water to Building A) were operating normally and were not recommended for replacement.

On May 14, 2024, we attended Building A for a site visit as part of the preventative maintenance services we provide at to Buildings. At this point, the second Laars boiler (identified as boiler #2 in the Preventative Maintenance Summary Report) had failed. We identified its replacement as an urgent priority, such that it should be replaced before the cold weather required use of the Laars Boilers to heat the building.

JJM Mechanical Group Ltd. (“JJM”) was selected by the Landlord to replace the Laars Boilers at Building A. JJM replaced the two Laars Boilers with four Navien high-efficiency condensing heating boilers (the “Navien Boilers”). The Laars Boilers were approximately 19 years old at the time of replacement.

Although the Raypak Boilers were not replaced and are still in operation at Building A, there was some unrelated repair work that needed to be done to these boilers (identified as boilers #3 and #4 in the Preventative Maintenance Summary Reports) that is referenced in some of the Preventative Maintenance Summary Reports. This repair work was completed by Milani and is unrelated to the replacement of the Laars Boilers by JJM.

The work to replace the Laars Boilers was not due to inadequate maintenance or repair by the Landlord. The heating system at Building A (including the Laars Boilers) was regularly inspected by us as part of our preventative maintenance services. The Landlord did not forgo necessary maintenance or repair work that would have extended the useful life of the Laars Boilers.

The Preventative Maintenance Summary Reports after the two Laars Boilers were replaced with four Navien Boilers still list four boilers (rather than six boilers). This is because JJM provides preventative maintenance for the new Navien Boilers, as they are currently under warranty with JJM. Milani continues to maintain the two Raypak Boilers.

## Replacement of the Domestic Hot Water Tank at Building A

Domestic hot water at Building A is supplied by the Raypak Boilers, noted above, and stored for use in three domestic hot water storage tanks. The domestic hot water storage tanks were installed in approximately 2012. The domestic hot water storage tanks (all three tanks) are referred to as the “Storage Tank” in the Mechanical Systems Equipment Condition Summary in the Preventative Maintenance Summary Reports.

In May 2024, one of the domestic hot water storage tanks at Building A started leaking and required replacement on an emergency basis. We replaced the leaking storage tank on May 24, 2024. The other two domestic hot water storage tanks remain in Building A. The replaced tank was approximately 12 years old at the time it was replaced.

I have reviewed the maintenance records for Building A. The first time a concern was raised by us with respect to the replaced storage tank was in the Preventative Maintenance Summary Report after our site visit on May 14, 2024.

The domestic hot water storage tank was not replaced due to inadequate maintenance or repair. Although it is possible for storage tanks to last 15 years and sometimes even longer, it is not unusual to replace a hot water storage tank after 10 years of use. Replacing a 12-year-old domestic hot water storage tank is not evidence of inadequate maintenance or repair. The Landlord did not forgo necessary maintenance or repair that would have resulted in the replaced storage tank having a longer useful life or avoided its replacement.

## Replacement of the Heating Pumps at Building B

On January 29, 2025, Milani replaced the two existing heat pumps, bearing assemblies, and motors at Building B.

We first noticed a potential concern with the heat pumps at Building B in March 2024. We noticed that at least one of the heat pumps at Building B was running noisy. We noticed that both heat pumps were running noisy after our site visit on May 14, 2024. We determined that both heat pumps and associated bearing assemblies and motors be replaced. These recommendations are set out in the Preventative Maintenance Summary Reports for Building B.

I do not know exactly how old the heat pumps and associated components at Building B were when they were replaced. I have been informed by the Landlord that these heat pumps had not been replaced since the Landlord bought the building in May 2014. The heat pumps were therefore at least 11 years old at the time they were replaced. Based on a visual inspection of the heat pumps, an age of at least 11 years is consistent with the wear and tear on the heat pumps and associated components.

The heat pumps at Building B were not replaced due to inadequate maintenance or repair. Although it is possible for heating pumps to last 15 years and sometimes even longer, it is not unusual to replace a heat pump after 11 years of use. Replacing an 11-year-old heat pump is not evidence of inadequate maintenance or repair. The Landlord did not forgo necessary maintenance or repair to the heat pumps in Building B that would have resulted in these heat pumps having a longer useful life or avoided its replacement.

### Upgrading the Sanitary Piping (Both Buildings)

We initially identified a need to upgrade the sanitary piping in both Buildings as a result of the addition of in suite laundry at the Buildings. The sanitary piping appeared to be original to the Building (over 50 years old) and was due for replacement.

The sanitary piping functioned remarkably well given its age. No maintenance concerns were identified with the sanitary piping in our Preventative Maintenance Summary Reports for either Building. However, given that the sanitary piping was over 50 years old, it had exceeded its useful life and was due for replacement.

In late 2024 we rerouted and replaced portions of sanitary piping in both Buildings. JJM rerouted and replaced the sanitary piping from unit 108 in Building A down into the P1 and P2 levels. The sanitary piping that was rerouted and replaced as part of the Sanitary Piping Work serves the showers, toilets, and lavatories for all units ending in 07 and 08 on all floors in Building A. The modifications were made to the piping into the parkade so that the existing sanitary stack could accommodate the addition of washers and dryers in the 07 and 08 units.

The sanitary piping was not replaced due to inadequate maintenance or repair. The sanitary piping throughout both buildings had exceeded its estimated useful life and was due for replacement.

### Replacing the Recirculation Lines and Shut Off Valves (Both Buildings)

The recirculation lines and water shut off valves on the 12<sup>th</sup> floor of both Buildings and the shut off valves in Building A were faulty and required replacement. We first identified this work in November 2021.

We provided the Landlord with a number of quotes for this work and in December 2024, we completed the following work at the Buildings:

- installed 8 new shut off valves for hot and cold water, new pipes, and pipe insulation in the P1 hallway (Building B);
- installed a new recirculation line on the 12<sup>th</sup> floor with shut off valves on each branch, connected to the existing recirculation branch lines from each unit (both Buildings);

- once the recirculation line and shut off valves were installed on the 12<sup>th</sup> floor, we tested the system to determine which shut off valves on the lower floor required replacement (both Buildings); and
- shut down the applicable riser (kitchen or bathroom) at various locations throughout both Buildings, removed a 6 inch section of the riser, installed new piping and insulation, restored the water and tested the new connections.

I do not know exactly how old the recirculation lines and shut off valves were when they were replaced. I have been informed by the Landlord that the recirculation lines and shut off valves had not been replaced since the Landlord bought the building in May 2014. The recirculation lines and shut off valves were therefore at least 11 years old at the time they were replaced. Based on a visual inspection of the recirculation lines and shut off valves, I would estimate that these building components were significantly older than 11 years old at the time they were replaced.

The recirculation lines and shut off valves were not replaced due to inadequate maintenance or repair. These building components appeared to have been installed at the Buildings for some time (likely significantly longer than 11 years) and appeared to have reached the end of their estimated useful life. The Landlord did not forgo necessary maintenance or repair to the recirculation lines or shut off valves that would have resulted in these building components having a longer useful life or avoided its replacement.

### Replacing the Backflow Assemblies (Both Buildings)

The backflow assemblies for both Buildings are part of each respective Building's plumbing system. A backflow assembly is a plumbing device that only allows water to flow in one direction. Backflow assemblies must be installed at any point in a water system where a potable water source line and a non-potable water source line connect (i.e., at any cross connections). In the event the water pressure in the non-potable water source line is higher than the pressure in the potable water source line, the backflow assembly prevents the non-potable water from forcing its way into the potable water line, preventing contamination of the potable water. If a backflow assembly fails, non-potable water can contaminate the potable water and lead to health concerns, water damage, and is a violation of city code.

The backflow assemblies at both Buildings are tested on an annual basis, as required by the City of Burnaby. I have reviewed past test records, and the backflow assemblies at both Buildings were tested annually each year, with the exception of 2023. Our records do not indicate why testing was not completed in 2023. I believe this was likely an oversight.

Milani also inspects the backflow assemblies at both Buildings as part of its regular preventative maintenance. No concerns were raised in our preventative maintenance summary reports with

the backflow assemblies in either Building prior to the backflow assemblies failing their annual tests in February and March 2024.

I note that the preventative maintenance summary report for Building A identifies the backflow assembly (referred to as “Back Flow P. 1”) as having failed in the report in connection with a site visit on January 10, 2024. We did not identify the backflow assembly as having failed on January 10, 2024. We identified the backflow assembly at Building A as having failed on February 15, 2024, when we completed the annual backflow testing at Building A. The quote in the preventative maintenance summary report (quote 103150-1239471) is dated February 27, 2024. The preventative maintenance summary reports are drafted after the site visit noted at the top of the report.

On April 11, 2024, we removed the existing valve assembly from the P2 pump room at Building A and installed a new backflow assembly and two new isolation valves. On April 19, 2024, we removed the existing valve assembly from the P2 pump room/storage room at Building B and installed a new backflow assembly and two new isolation valves.

The backflow assemblies have been operating normally at both Buildings since they were replaced in April 2024.

The backflow assemblies were not replaced due to inadequate maintenance or repair. The Landlord has not replaced the backflow assemblies since it took over ownership of the Building in May 2014, making them at least 11 years old at the time they were replaced. From our observations of the backflow assemblies, they appeared to have reached the end of their estimated useful life at the time they were replaced. The Landlord did not forgo necessary maintenance or repair to the backflow assemblies that would have resulted in these building components having a longer useful life or avoided its replacement.

### Maintenance and Repair at both Buildings

Although the work described above references building components that were failing and/or damaged, this does not mean the Buildings have not been maintained properly. The above-noted work at the Buildings was not due to insufficient or inadequate maintenance. Both Buildings are routinely inspected by us, with all recommendations for maintenance and repair made to the Landlord in a timely manner. The Landlord has been proactive in completing necessary maintenance and repair work. None of the above-noted work was the result of the Landlord failing to complete recommended or necessary maintenance and repair work at the Buildings. No amount of maintenance can result in a building systems operating indefinitely.

Aside from regular maintenance and minor repair work, it is estimated that the above-noted work to Building will not recur for at least 10 years. Please note that this is an estimate based on the typical expected life of these building components and not a warranty that the above-noted work

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will last for at least 10 years. I provide this information solely for the assistance of the BC Residential Tenancy Branch in understanding the expected life of this system in general terms, and to explain that this work is expected to last over 5 years.

I am aware that this letter will be provided to the BC Residential Tenancy Branch by the Landlord to provide information to the Tribunal with respect to the scope of the project in support of the Landlord's application for an additional rent increase for the Building. This letter may not be used for any other purpose.

Sincerely,



Alex Milani  
Commercial Services Division Manager and  
Vancouver Island Regional Manager  
Milani Plumbing Drainage & Heating Ltd.