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Update "No-Site-Visit" Reserve Study



Timberlake Water System Shelton, WA

Report #: 23247-3
For Period Beginning: July 1, 2017
Expires: June 30, 2018

Date Prepared: May 2, 2017



Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

With respect to Reserves, this Report will tell you "where you are," and "where to go from here."

In this Report, you will find...

- 1) A List of What you're Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

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ASSOCIATION
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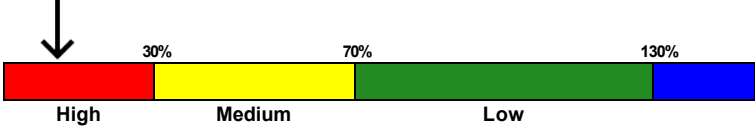
3- Minute Executive Summary

Association: Timberlake Water System **Assoc. #: 23247-3**
Location: Shelton, WA **# of Units:1350**
Report Period: July 1, 2017 through June 30, 2018

Findings/Recommendations as-of: July 1, 2017

| | |
|---|-------------|
| Starting Reserve Balance | \$878,988 |
| Current Fully Funded Reserve Balance | \$8,516,041 |
| Percent Funded | 10.3 % |
| Average Reserve Deficit or (Surplus) Per Unit | \$5,657 |
| 2017/2018 100% Annual "Full Funding" Contributions | \$617,500 |
| 2017/2018 70% Annual "Threshold Funding" Contributions | \$478,500 |
| 2017/2018 "Baseline Funding" to keep Reserves above \$0 | \$175,236 |
| Most Recent Budgeted Contribution Rate | \$226,062 |

Reserves % Funded: 10.3%



Special Assessment Risk:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves 1.00 %
Annual Inflation Rate 3.00 %

- This is an “Update No-Site-Visit” Reserve Study, based on our most recent NSV Report prepared for your 2016/2017 Fiscal Year. Refer to photo pages of 2015/2016 WSV report for additional component information. No site inspection was performed as part of this Reserve Study, which was prepared by, or under the supervision of a credentialed Reserve Specialist (RS 153)
- Your Reserve Fund is currently 10.3 % Funded. **This means the association’s special assessment & deferred maintenance risk is currently high.** The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.
- **Based on this starting point and your anticipated future expenses, our recommendation is to substantially increase your Reserve contributions to within the 70-100% level as noted above.** 100% “Full” and 70% contribution rates are designed to achieve these funding objectives *by the end of* our 30-year report scope.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions.

| # | Component | Useful Life (yrs) | Rem. Useful Life (yrs) | Current Average Cost |
|--------------------------|-------------------------------------|-------------------|------------------------|----------------------|
| Capacity/Filter | | | | |
| 106 | Water System Plan - Update | 6 | 5 | \$51,500 |
| 901 | Well Pump/Motor #1 - Replace | 20 | 7 | \$21,250 |
| 901 | Well Pump/Motor #2 - Replace | 10 | 1 | \$21,250 |
| 901 | Well Pump/Motor #3 - Replace | 10 | 1 | \$23,300 |
| 904 | Well #1 Control - Replace | 30 | 7 | \$13,300 |
| 904 | Well #2 Control - Replace | 30 | 17 | \$13,300 |
| 904 | Well #3 Control - Replace | 30 | 21 | \$13,300 |
| 907 | Filter System - Maintain/Replace | 35 | 23 | \$111,600 |
| Store/Monitor | | | | |
| 910 | Storage Tank, Steel - Replace | 50 | 28 | \$477,000 |
| 911 | Storage Tank, Concrete - Replace | 60 | 15 | \$127,000 |
| 914 | Storage Tank, Exterior - Recoat | 10 | 8 | \$21,600 |
| 915 | Storage Tank, Exterior-Blast/Recoat | 10 | 8 | \$75,300 |
| 916 | Storage Tank, Interior-Blast/Recoat | 20 | 15 | \$126,500 |
| 918 | Reservoir Control System - Replace | 30 | 18 | \$31,900 |
| 919 | Telemetry System - Replace | 15 | 3 | \$3,710 |
| Treatment/Boost | | | | |
| 920 | Hypochlorite Generator - Replace | 30 | 15 | \$37,100 |
| 922 | Hypochlorite Cells - Replace | 10 | 5 | \$12,700 |
| 926 | Treatment/Monitoring - Replace | 20 | 8 | \$19,100 |
| 930 | Booster System, Primary - Replace | 20 | 7 | \$111,500 |
| 932 | Booster System, Primary - Maintain | 4 | 1 | \$7,950 |
| 934 | Booster System, Back Up - Maintain | 4 | 1 | \$5,305 |
| Distribution | | | | |
| 940 | Water Main Line Project, A-Replace | 100 | 4 | \$650,000 |
| 940 | Water Main Line Project, B-Replace | 100 | 9 | \$500,000 |
| 940 | Water Main Line Project, C-Replace | 100 | 14 | \$600,000 |
| 940 | Water Main Line Project, D-Replace | 100 | 19 | \$700,000 |
| 945 | Remaining Main Lines, E- Replace | 100 | 49 | \$2,716,250 |
| 945 | Remaining Main Lines, F- Replace | 100 | 50 | \$2,716,250 |
| 945 | Remaining Main Lines, G - Replace | 100 | 51 | \$2,716,250 |
| 945 | Remaining Main Lines, H - Replace | 100 | 52 | \$2,716,250 |
| 946 | Water Main Lines, 2009 - Replace | 100 | 92 | \$650,000 |
| 950 | Hydrants - Add/Replace | 1 | 0 | \$10,000 |
| 955 | Pressure Reducing Valves - Replace | 25 | 15 | \$39,300 |
| 956 | Water Meters - Replace | 15 | 14 | \$127,000 |
| 957 | Water Meter Setters - Replace | 45 | 29 | \$234,950 |
| Buildings/Site | | | | |
| 964 | Building Roof - Replace | 40 | 30 | \$32,250 |
| 970 | Chain Link Fence - Replace | 30 | 12 | \$10,900 |
| Systems/Equipment | | | | |
| 980 | Generator, 200 KW - Upgrade | 40 | 0 | \$140,000 |
| 994 | Compact Tractor/Loader - Replace | 25 | 4 | \$34,500 |
| 995 | Truck (1/3) - Replace | 12 | 7 | \$6,365 |
| 996 | Truck - Replace | 12 | 10 | \$18,600 |

| # | Component | Useful Life (yrs) | Rem. Useful Life (yrs) | Current Average Cost |
|-----------------------------------|-------------------------------|-------------------|------------------------|----------------------|
| 998 | Leak Detector - Replace | 12 | 0 | \$3,980 |
| 999 | Meter Reader System - Replace | 5 | 3 | \$3,710 |
| 42 Total Funded Components | | | | |

Note 1: Yellow highlighted line items are expected to require attention in this initial year, green highlighted items are expected to occur within the first-five years.

Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology



For this [Update No-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association

precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How do we establish Useful Life and Remaining Useful Life estimates?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these expenses are shown in the 30-yr Summary Table, while details of the projects that make up these expenses are shown in the Cash Flow Detail Table.

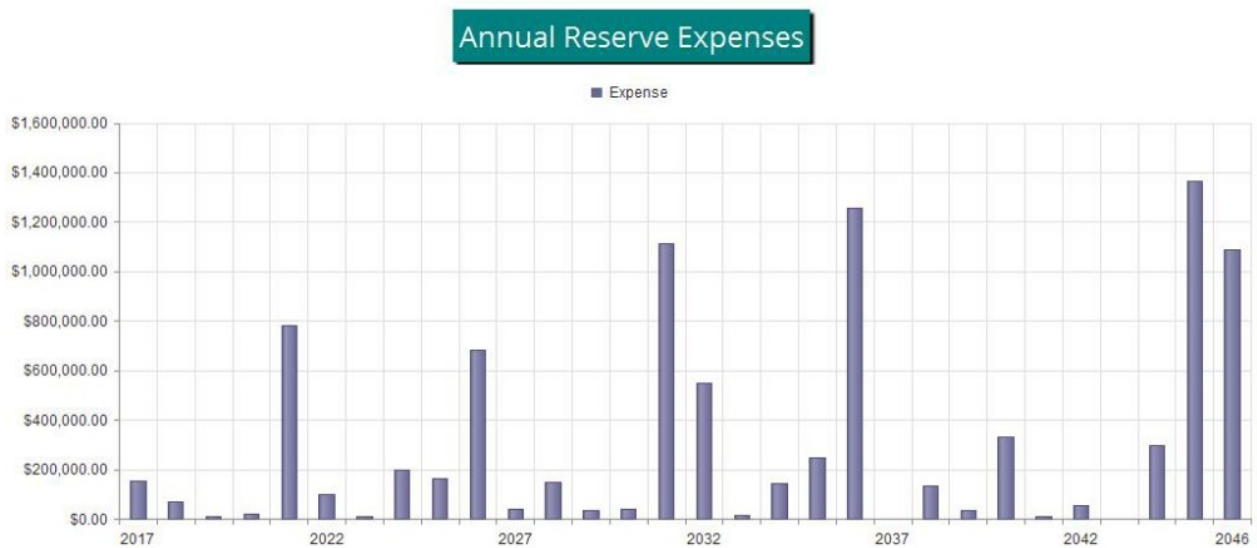


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$878,988 as-of the start of your Fiscal Year on 7/1/2017. As of that date, your Fully Funded Balance is computed to be \$8,516,041 (see Fully Funded Balance Table). This figure represents the deteriorated value of your common area components.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$617,500 per this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary Table and the Cash Flow Detail Table.

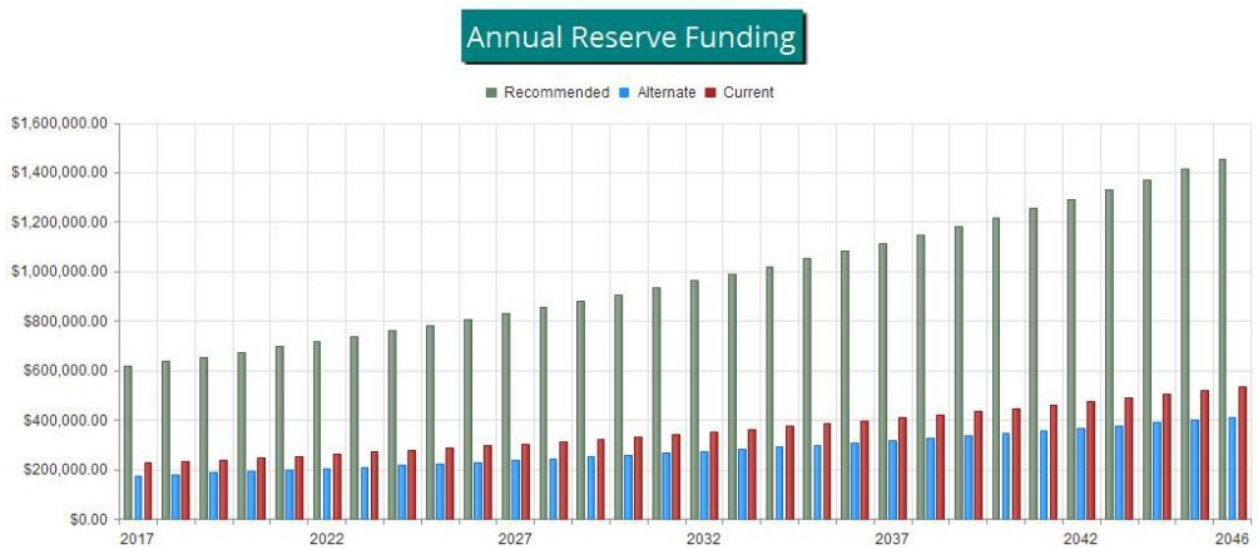


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate (assumes future increases), compared to your always-changing Fully Funded Balance target.

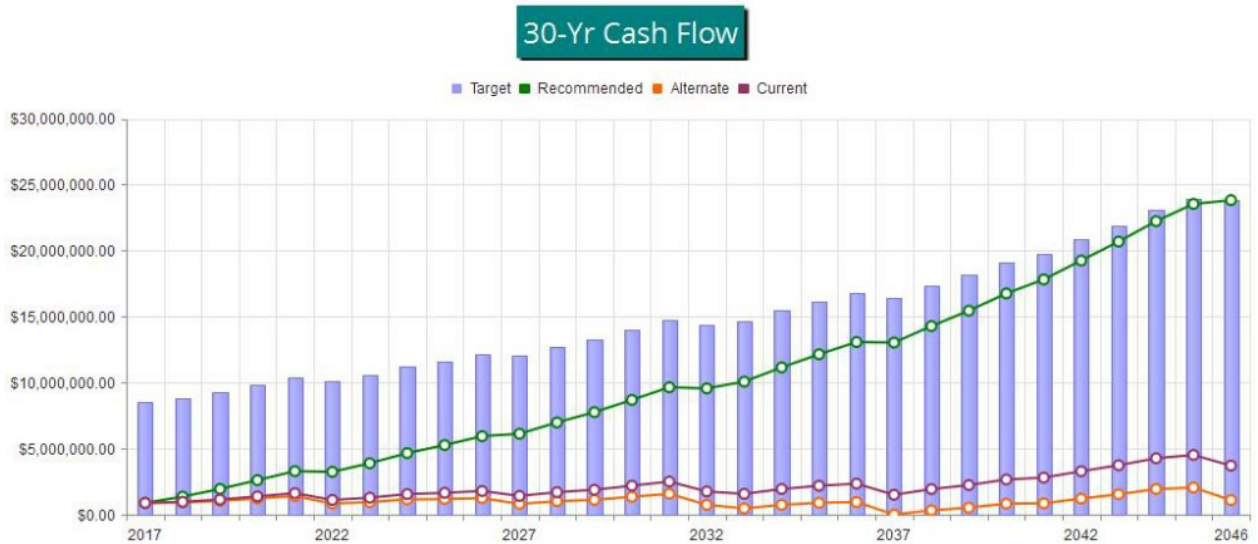


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

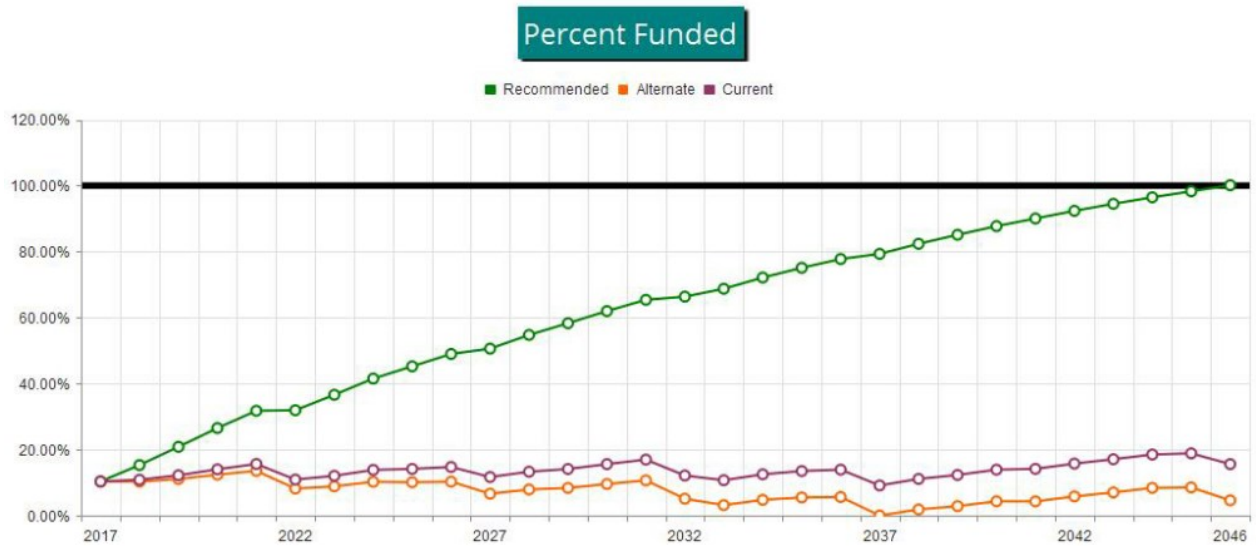


Figure 4

Table Descriptions

The tabular information in this Report is broken down into nine tables, not all which may have been chosen by your Project Manager to appear in your report. Tables are listed in the order in which they appear in your Report.

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Analysis Summary provides a summary of the starting financial information and your Project Manager's Financial Analysis decision points.

Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the association total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the association, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

Acct/Tax Summary provides information on each Component's proportionate portion of key totals, valuable to accounting professionals primarily during tax preparation time of year.

30-Yr Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

Cash Flow Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

Reserve Component List Detail

23247-3
NSV

| # Component | Quantity | Useful Life | Rem. Useful Life | Current Cost Estimate | | |
|--------------------------|-------------------------------------|--------------------------|------------------|-----------------------|-------------|-------------|
| | | | | Best Case | Worst Case | |
| Capacity/Filter | | | | | | |
| 106 | Water System Plan - Update | Every 6 years | 6 | 5 | \$47,500 | \$55,500 |
| 901 | Well Pump/Motor #1 - Replace | (1) 25 HP submersible 6" | 20 | 7 | \$19,100 | \$23,400 |
| 901 | Well Pump/Motor #2 - Replace | (1) 25 HP submersible 6" | 10 | 1 | \$19,100 | \$23,400 |
| 901 | Well Pump/Motor #3 - Replace | (1) 30 HP submersible 8" | 10 | 1 | \$21,200 | \$25,400 |
| 904 | Well #1 Control - Replace | (1) motor control | 30 | 7 | \$10,600 | \$16,000 |
| 904 | Well #2 Control - Replace | (1) motor control | 30 | 17 | \$10,600 | \$16,000 |
| 904 | Well #3 Control - Replace | (1) motor control | 30 | 21 | \$10,600 | \$16,000 |
| 907 | Filter System - Maintain/Replace | (6) tank system | 35 | 23 | \$90,200 | \$133,000 |
| Store/Monitor | | | | | | |
| 910 | Storage Tank, Steel - Replace | (1) 200,000 gallon | 50 | 28 | \$424,000 | \$530,000 |
| 911 | Storage Tank, Concrete - Replace | (1) 60,000 gallon | 60 | 15 | \$106,000 | \$148,000 |
| 914 | Storage Tank, Exterior - Recoat | (1) 200,000 gallon | 10 | 8 | \$18,500 | \$24,700 |
| 915 | Storage Tank, Exterior-Blast/Recoat | (1) 200,000 gallon | 10 | 8 | \$70,000 | \$80,600 |
| 916 | Storage Tank, Interior-Blast/Recoat | (1) 200,000 gallon | 20 | 15 | \$118,000 | \$135,000 |
| 918 | Reservoir Control System - Replace | (1) control panel | 30 | 18 | \$26,600 | \$37,200 |
| 919 | Telemetry System - Replace | (1) system | 15 | 3 | \$3,180 | \$4,240 |
| Treatment/Boost | | | | | | |
| 920 | Hypochlorite Generator - Replace | (1) US Filter | 30 | 15 | \$31,800 | \$42,400 |
| 922 | Hypochlorite Cells - Replace | (1) US Filter | 10 | 5 | \$10,600 | \$14,800 |
| 926 | Treatment/Monitoring - Replace | Pumps, sensors, monitors | 20 | 8 | \$17,000 | \$21,200 |
| 930 | Booster System, Primary - Replace | (1) Paco 9000 | 20 | 7 | \$101,000 | \$122,000 |
| 932 | Booster System, Primary - Maintain | (1) Paco 9000 | 4 | 1 | \$5,300 | \$10,600 |
| 934 | Booster System, Back Up - Maintain | (1) system, quad pump | 4 | 1 | \$4,240 | \$6,370 |
| Distribution | | | | | | |
| 940 | Water Main Line Project, A-Replace | Approx 2,600 LF | 100 | 4 | \$520,000 | \$780,000 |
| 940 | Water Main Line Project, B-Replace | Approx 2,000 LF | 100 | 9 | \$400,000 | \$600,000 |
| 940 | Water Main Line Project, C-Replace | Approx 2,400 LF | 100 | 14 | \$480,000 | \$720,000 |
| 940 | Water Main Line Project, D-Replace | Approx 2,800 LF | 100 | 19 | \$560,000 | \$840,000 |
| 945 | Remaining Main Lines, E- Replace | ~(1/4) of 59,000 LF | 100 | 49 | \$2,241,250 | \$3,191,250 |
| 945 | Remaining Main Lines, F- Replace | ~(1/4) of 59,000 LF | 100 | 50 | \$2,241,250 | \$3,191,250 |
| 945 | Remaining Main Lines, G - Replace | ~(1/4) of 59,000 LF | 100 | 51 | \$2,241,250 | \$3,191,250 |
| 945 | Remaining Main Lines, H - Replace | ~(1/4) of 59,000 LF | 100 | 52 | \$2,241,250 | \$3,191,250 |
| 946 | Water Main Lines, 2009 - Replace | Approx 2,600 LF | 100 | 92 | \$520,000 | \$780,000 |
| 950 | Hydrants - Add/Replace | (18) hydrants, existing | 1 | 0 | \$8,000 | \$12,000 |
| 955 | Pressure Reducing Valves - Replace | ~(570) Cash Acme EB86U | 25 | 15 | \$33,300 | \$45,300 |
| 956 | Water Meters - Replace | (1,270) meters | 15 | 14 | \$114,300 | \$139,700 |
| 957 | Water Meter Setters - Replace | (1,270) boxes/setters | 45 | 29 | \$228,600 | \$241,300 |
| Buildings/Site | | | | | | |
| 964 | Building Roof - Replace | Approx 3,800 GSF | 40 | 30 | \$28,200 | \$36,300 |
| 970 | Chain Link Fence - Replace | Approx 500 linear feet | 30 | 12 | \$10,200 | \$11,600 |
| Systems/Equipment | | | | | | |
| 980 | Generator, 200 KW - Upgrade | (1) 200 KW, new | 40 | 0 | \$120,000 | \$160,000 |
| 994 | Compact Tractor/Loader - Replace | (1) Kubota B20 | 25 | 4 | \$31,800 | \$37,200 |

| # | Component | Quantity | Useful Life | Rem. Useful Life | Current Cost Estimate | |
|-----|-------------------------------|----------------------|-------------|---------------------|-----------------------|------------|
| | | | | | Best Case | Worst Case |
| 995 | Truck (1/3) - Replace | (1) 1992 GMC 3500HD | 12 | 7 | \$5,300 | \$7,430 |
| 996 | Truck - Replace | (1) 2008 Ford F150 | 12 | 10 | \$16,000 | \$21,200 |
| 998 | Leak Detector - Replace | (1) system | 12 | 0 | \$3,720 | \$4,240 |
| 999 | Meter Reader System - Replace | (2) meters, software | 5 | 3 | \$3,180 | \$4,240 |
| 42 | Total Funded Components | | | | | |

| # | Component | Current Cost Estimate | X | Effective Age | / | Useful Life | = | Fully Funded Balance |
|--------------------------|-------------------------------------|-----------------------|---|---------------|---|-------------|---|----------------------|
| Capacity/Filter | | | | | | | | |
| 106 | Water System Plan - Update | \$51,500 | X | 1 | / | 6 | = | \$8,583 |
| 901 | Well Pump/Motor #1 - Replace | \$21,250 | X | 13 | / | 20 | = | \$13,813 |
| 901 | Well Pump/Motor #2 - Replace | \$21,250 | X | 9 | / | 10 | = | \$19,125 |
| 901 | Well Pump/Motor #3 - Replace | \$23,300 | X | 9 | / | 10 | = | \$20,970 |
| 904 | Well #1 Control - Replace | \$13,300 | X | 23 | / | 30 | = | \$10,197 |
| 904 | Well #2 Control - Replace | \$13,300 | X | 13 | / | 30 | = | \$5,763 |
| 904 | Well #3 Control - Replace | \$13,300 | X | 9 | / | 30 | = | \$3,990 |
| 907 | Filter System - Maintain/Replace | \$111,600 | X | 12 | / | 35 | = | \$38,263 |
| Store/Monitor | | | | | | | | |
| 910 | Storage Tank, Steel - Replace | \$477,000 | X | 22 | / | 50 | = | \$209,880 |
| 911 | Storage Tank, Concrete - Replace | \$127,000 | X | 45 | / | 60 | = | \$95,250 |
| 914 | Storage Tank, Exterior - Recoat | \$21,600 | X | 2 | / | 10 | = | \$4,320 |
| 915 | Storage Tank, Exterior-Blast/Recoat | \$75,300 | X | 2 | / | 10 | = | \$15,060 |
| 916 | Storage Tank, Interior-Blast/Recoat | \$126,500 | X | 5 | / | 20 | = | \$31,625 |
| 918 | Reservoir Control System - Replace | \$31,900 | X | 12 | / | 30 | = | \$12,760 |
| 919 | Telemetry System - Replace | \$3,710 | X | 12 | / | 15 | = | \$2,968 |
| Treatment/Boost | | | | | | | | |
| 920 | Hypochlorite Generator - Replace | \$37,100 | X | 15 | / | 30 | = | \$18,550 |
| 922 | Hypochlorite Cells - Replace | \$12,700 | X | 5 | / | 10 | = | \$6,350 |
| 926 | Treatment/Monitoring - Replace | \$19,100 | X | 12 | / | 20 | = | \$11,460 |
| 930 | Booster System, Primary - Replace | \$111,500 | X | 13 | / | 20 | = | \$72,475 |
| 932 | Booster System, Primary - Maintain | \$7,950 | X | 3 | / | 4 | = | \$5,963 |
| 934 | Booster System, Back Up - Maintain | \$5,305 | X | 3 | / | 4 | = | \$3,979 |
| Distribution | | | | | | | | |
| 940 | Water Main Line Project, A-Replace | \$650,000 | X | 96 | / | 100 | = | \$624,000 |
| 940 | Water Main Line Project, B-Replace | \$500,000 | X | 91 | / | 100 | = | \$455,000 |
| 940 | Water Main Line Project, C-Replace | \$600,000 | X | 86 | / | 100 | = | \$516,000 |
| 940 | Water Main Line Project, D-Replace | \$700,000 | X | 81 | / | 100 | = | \$567,000 |
| 945 | Remaining Main Lines, E- Replace | \$2,716,250 | X | 51 | / | 100 | = | \$1,385,288 |
| 945 | Remaining Main Lines, F- Replace | \$2,716,250 | X | 50 | / | 100 | = | \$1,358,125 |
| 945 | Remaining Main Lines, G - Replace | \$2,716,250 | X | 49 | / | 100 | = | \$1,330,963 |
| 945 | Remaining Main Lines, H - Replace | \$2,716,250 | X | 48 | / | 100 | = | \$1,303,800 |
| 946 | Water Main Lines, 2009 - Replace | \$650,000 | X | 8 | / | 100 | = | \$52,000 |
| 950 | Hydrants - Add/Replace | \$10,000 | X | 1 | / | 1 | = | \$10,000 |
| 955 | Pressure Reducing Valves - Replace | \$39,300 | X | 10 | / | 25 | = | \$15,720 |
| 956 | Water Meters - Replace | \$127,000 | X | 1 | / | 15 | = | \$8,467 |
| 957 | Water Meter Setters - Replace | \$234,950 | X | 16 | / | 45 | = | \$83,538 |
| Buildings/Site | | | | | | | | |
| 964 | Building Roof - Replace | \$32,250 | X | 10 | / | 40 | = | \$8,063 |
| 970 | Chain Link Fence - Replace | \$10,900 | X | 18 | / | 30 | = | \$6,540 |
| Systems/Equipment | | | | | | | | |
| 980 | Generator, 200 KW - Upgrade | \$140,000 | X | 40 | / | 40 | = | \$140,000 |
| 994 | Compact Tractor/Loader - Replace | \$34,500 | X | 21 | / | 25 | = | \$28,980 |
| 995 | Truck (1/3) - Replace | \$6,365 | X | 5 | / | 12 | = | \$2,652 |

| # | Component | Current Cost Estimate | X | Effective Age | / | Useful Life | = | Fully Funded Balance |
|-----|-------------------------------|-----------------------|---|---------------|---|-------------|---|----------------------|
| 996 | Truck - Replace | \$18,600 | X | 2 | / | 12 | = | \$3,100 |
| 998 | Leak Detector - Replace | \$3,980 | X | 12 | / | 12 | = | \$3,980 |
| 999 | Meter Reader System - Replace | \$3,710 | X | 2 | / | 5 | = | \$1,484 |
| | | | | | | | | \$8,516,041 |

Component Significance

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| # | Component | Useful Life (yrs) | Current Cost Estimate | Deterioration Cost/Yr | Deterioration Significance |
|--------------------------|-------------------------------------|-------------------|-----------------------|-----------------------|----------------------------|
| Capacity/Filter | | | | | |
| 106 | Water System Plan - Update | 6 | \$51,500 | \$8,583 | 3.67 % |
| 901 | Well Pump/Motor #1 - Replace | 20 | \$21,250 | \$1,063 | 0.45 % |
| 901 | Well Pump/Motor #2 - Replace | 10 | \$21,250 | \$2,125 | 0.91 % |
| 901 | Well Pump/Motor #3 - Replace | 10 | \$23,300 | \$2,330 | 1.00 % |
| 904 | Well #1 Control - Replace | 30 | \$13,300 | \$443 | 0.19 % |
| 904 | Well #2 Control - Replace | 30 | \$13,300 | \$443 | 0.19 % |
| 904 | Well #3 Control - Replace | 30 | \$13,300 | \$443 | 0.19 % |
| 907 | Filter System - Maintain/Replace | 35 | \$111,600 | \$3,189 | 1.36 % |
| Store/Monitor | | | | | |
| 910 | Storage Tank, Steel - Replace | 50 | \$477,000 | \$9,540 | 4.08 % |
| 911 | Storage Tank, Concrete - Replace | 60 | \$127,000 | \$2,117 | 0.90 % |
| 914 | Storage Tank, Exterior - Recoat | 10 | \$21,600 | \$2,160 | 0.92 % |
| 915 | Storage Tank, Exterior-Blast/Recoat | 10 | \$75,300 | \$7,530 | 3.22 % |
| 916 | Storage Tank, Interior-Blast/Recoat | 20 | \$126,500 | \$6,325 | 2.70 % |
| 918 | Reservoir Control System - Replace | 30 | \$31,900 | \$1,063 | 0.45 % |
| 919 | Telemetry System - Replace | 15 | \$3,710 | \$247 | 0.11 % |
| Treatment/Boost | | | | | |
| 920 | Hypochlorite Generator - Replace | 30 | \$37,100 | \$1,237 | 0.53 % |
| 922 | Hypochlorite Cells - Replace | 10 | \$12,700 | \$1,270 | 0.54 % |
| 926 | Treatment/Monitoring - Replace | 20 | \$19,100 | \$955 | 0.41 % |
| 930 | Booster System, Primary - Replace | 20 | \$111,500 | \$5,575 | 2.38 % |
| 932 | Booster System, Primary - Maintain | 4 | \$7,950 | \$1,988 | 0.85 % |
| 934 | Booster System, Back Up - Maintain | 4 | \$5,305 | \$1,326 | 0.57 % |
| Distribution | | | | | |
| 940 | Water Main Line Project, A-Replace | 100 | \$650,000 | \$6,500 | 2.78 % |
| 940 | Water Main Line Project, B-Replace | 100 | \$500,000 | \$5,000 | 2.14 % |
| 940 | Water Main Line Project, C-Replace | 100 | \$600,000 | \$6,000 | 2.56 % |
| 940 | Water Main Line Project, D-Replace | 100 | \$700,000 | \$7,000 | 2.99 % |
| 945 | Remaining Main Lines, E- Replace | 100 | \$2,716,250 | \$27,163 | 11.60 % |
| 945 | Remaining Main Lines, F- Replace | 100 | \$2,716,250 | \$27,163 | 11.60 % |
| 945 | Remaining Main Lines, G - Replace | 100 | \$2,716,250 | \$27,163 | 11.60 % |
| 945 | Remaining Main Lines, H - Replace | 100 | \$2,716,250 | \$27,163 | 11.60 % |
| 946 | Water Main Lines, 2009 - Replace | 100 | \$650,000 | \$6,500 | 2.78 % |
| 950 | Hydrants - Add/Replace | 1 | \$10,000 | \$10,000 | 4.27 % |
| 955 | Pressure Reducing Valves - Replace | 25 | \$39,300 | \$1,572 | 0.67 % |
| 956 | Water Meters - Replace | 15 | \$127,000 | \$8,467 | 3.62 % |
| 957 | Water Meter Setters - Replace | 45 | \$234,950 | \$5,221 | 2.23 % |
| Buildings/Site | | | | | |
| 964 | Building Roof - Replace | 40 | \$32,250 | \$806 | 0.34 % |
| 970 | Chain Link Fence - Replace | 30 | \$10,900 | \$363 | 0.16 % |
| Systems/Equipment | | | | | |
| 980 | Generator, 200 KW - Upgrade | 40 | \$140,000 | \$3,500 | 1.50 % |
| 994 | Compact Tractor/Loader - Replace | 25 | \$34,500 | \$1,380 | 0.59 % |
| 995 | Truck (1/3) - Replace | 12 | \$6,365 | \$530 | 0.23 % |
| 996 | Truck - Replace | 12 | \$18,600 | \$1,550 | 0.66 % |

| # Component | Useful Life (yrs) | Current Cost Estimate | Deterioration Cost/Yr | Deterioration Significance |
|-----------------------------------|-------------------|-----------------------|-----------------------|----------------------------|
| 998 Leak Detector - Replace | 12 | \$3,980 | \$332 | 0.14 % |
| 999 Meter Reader System - Replace | 5 | \$3,710 | \$742 | 0.32 % |
| 42 Total Funded Components | | | \$234,066 | 100.00 % |

30-Year Reserve Plan Summary

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Fiscal Year Start: 2017

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)

Projected Reserve Balance Changes

| Year | Starting Reserve Balance | Fully Funded Balance | Percent Funded | Special Assmt Risk | Reserve Contribs. | Loan or Special Assmts | Interest Income | Reserve Expenses |
|------|--------------------------|----------------------|----------------|--------------------|-------------------|------------------------|-----------------|------------------|
| 2017 | \$878,988 | \$8,516,041 | 10.3 % | High | \$617,500 | \$0 | \$11,159 | \$153,980 |
| 2018 | \$1,353,667 | \$8,854,010 | 15.3 % | High | \$636,025 | \$0 | \$16,443 | \$69,839 |
| 2019 | \$1,936,295 | \$9,296,017 | 20.8 % | High | \$655,106 | \$0 | \$22,689 | \$10,609 |
| 2020 | \$2,603,481 | \$9,819,740 | 26.5 % | High | \$674,759 | \$0 | \$29,448 | \$19,035 |
| 2021 | \$3,288,653 | \$10,358,168 | 31.7 % | Medium | \$695,002 | \$0 | \$32,602 | \$781,666 |
| 2022 | \$3,234,591 | \$10,135,144 | 31.9 % | Medium | \$715,852 | \$0 | \$35,581 | \$101,384 |
| 2023 | \$3,884,640 | \$10,614,259 | 36.6 % | Medium | \$737,327 | \$0 | \$42,669 | \$11,941 |
| 2024 | \$4,652,695 | \$11,208,259 | 41.5 % | Medium | \$759,447 | \$0 | \$49,552 | \$199,750 |
| 2025 | \$5,261,944 | \$11,635,271 | 45.2 % | Medium | \$782,231 | \$0 | \$55,965 | \$164,313 |
| 2026 | \$5,935,827 | \$12,120,490 | 49.0 % | Medium | \$805,697 | \$0 | \$60,249 | \$682,729 |
| 2027 | \$6,119,044 | \$12,095,458 | 50.6 % | Medium | \$829,868 | \$0 | \$65,447 | \$38,436 |
| 2028 | \$6,975,924 | \$12,742,735 | 54.7 % | Medium | \$854,764 | \$0 | \$73,636 | \$146,798 |
| 2029 | \$7,757,526 | \$13,307,536 | 58.3 % | Medium | \$880,407 | \$0 | \$82,176 | \$35,473 |
| 2030 | \$8,684,636 | \$14,013,958 | 62.0 % | Medium | \$906,820 | \$0 | \$91,602 | \$39,599 |
| 2031 | \$9,643,458 | \$14,747,635 | 65.4 % | Medium | \$934,024 | \$0 | \$95,970 | \$1,114,779 |
| 2032 | \$9,558,674 | \$14,406,509 | 66.3 % | Medium | \$962,045 | \$0 | \$98,099 | \$549,339 |
| 2033 | \$10,069,478 | \$14,648,491 | 68.7 % | Medium | \$990,906 | \$0 | \$106,054 | \$16,047 |
| 2034 | \$11,150,392 | \$15,458,292 | 72.1 % | Low | \$1,020,633 | \$0 | \$116,412 | \$145,541 |
| 2035 | \$12,141,896 | \$16,170,614 | 75.1 % | Low | \$1,051,252 | \$0 | \$126,007 | \$248,930 |
| 2036 | \$13,070,225 | \$16,809,771 | 77.8 % | Low | \$1,082,790 | \$0 | \$130,432 | \$1,256,150 |
| 2037 | \$13,027,297 | \$16,424,916 | 79.3 % | Low | \$1,115,274 | \$0 | \$136,474 | \$0 |
| 2038 | \$14,279,045 | \$17,334,492 | 82.4 % | Low | \$1,148,732 | \$0 | \$148,552 | \$132,276 |
| 2039 | \$15,444,053 | \$18,147,615 | 85.1 % | Low | \$1,183,194 | \$0 | \$160,914 | \$35,640 |
| 2040 | \$16,752,521 | \$19,097,548 | 87.7 % | Low | \$1,218,690 | \$0 | \$172,763 | \$329,214 |
| 2041 | \$17,814,760 | \$19,786,863 | 90.0 % | Low | \$1,255,250 | \$0 | \$185,231 | \$8,091 |
| 2042 | \$19,247,151 | \$20,841,279 | 92.4 % | Low | \$1,292,908 | \$0 | \$199,577 | \$54,344 |
| 2043 | \$20,685,292 | \$21,893,761 | 94.5 % | Low | \$1,331,695 | \$0 | \$214,493 | \$0 |
| 2044 | \$22,231,480 | \$23,048,288 | 96.5 % | Low | \$1,371,646 | \$0 | \$228,745 | \$294,876 |
| 2045 | \$23,536,995 | \$23,948,660 | 98.3 % | Low | \$1,412,795 | \$0 | \$236,691 | \$1,365,229 |
| 2046 | \$23,821,252 | \$23,788,959 | 100.1 % | Low | \$1,455,179 | \$0 | \$241,157 | \$1,086,860 |

30-Year Income/Expense Detail (yrs 0 through 4)

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| Fiscal Year | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Starting Reserve Balance | \$878,988 | \$1,353,667 | \$1,936,295 | \$2,603,481 | \$3,288,653 |
| Annual Reserve Contribution | \$617,500 | \$636,025 | \$655,106 | \$674,759 | \$695,002 |
| Recommended Special Assessments | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest Earnings | \$11,159 | \$16,443 | \$22,689 | \$29,448 | \$32,602 |
| Total Income | \$1,507,647 | \$2,006,134 | \$2,614,090 | \$3,307,688 | \$4,016,257 |
| # Component | | | | | |
| Capacity/Filter | | | | | |
| 106 Water System Plan - Update | \$0 | \$0 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #1 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #2 - Replace | \$0 | \$21,888 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #3 - Replace | \$0 | \$23,999 | \$0 | \$0 | \$0 |
| 904 Well #1 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #2 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #3 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 907 Filter System - Maintain/Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Store/Monitor | | | | | |
| 910 Storage Tank, Steel - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 911 Storage Tank, Concrete - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 914 Storage Tank, Exterior - Recoat | \$0 | \$0 | \$0 | \$0 | \$0 |
| 915 Storage Tank, Exterior-Blast/Recoat | \$0 | \$0 | \$0 | \$0 | \$0 |
| 916 Storage Tank, Interior-Blast/Recoat | \$0 | \$0 | \$0 | \$0 | \$0 |
| 918 Reservoir Control System - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 919 Telemetry System - Replace | \$0 | \$0 | \$0 | \$4,054 | \$0 |
| Treatment/Boost | | | | | |
| 920 Hypochlorite Generator - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 922 Hypochlorite Cells - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 926 Treatment/Monitoring - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 930 Booster System, Primary - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 932 Booster System, Primary - Maintain | \$0 | \$8,189 | \$0 | \$0 | \$0 |
| 934 Booster System, Back Up - Maintain | \$0 | \$5,464 | \$0 | \$0 | \$0 |
| Distribution | | | | | |
| 940 Water Main Line Project, A-Replace | \$0 | \$0 | \$0 | \$0 | \$731,581 |
| 940 Water Main Line Project, B-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, C-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, D-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, E- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, F- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, G - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, H - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 946 Water Main Lines, 2009 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 950 Hydrants - Add/Replace | \$10,000 | \$10,300 | \$10,609 | \$10,927 | \$11,255 |
| 955 Pressure Reducing Valves - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 956 Water Meters - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 957 Water Meter Setters - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Buildings/Site | | | | | |
| 964 Building Roof - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 970 Chain Link Fence - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Systems/Equipment | | | | | |
| 980 Generator, 200 KW - Upgrade | \$140,000 | \$0 | \$0 | \$0 | \$0 |
| 994 Compact Tractor/Loader - Replace | \$0 | \$0 | \$0 | \$0 | \$38,830 |
| 995 Truck (1/3) - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 996 Truck - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 998 Leak Detector - Replace | \$3,980 | \$0 | \$0 | \$0 | \$0 |
| 999 Meter Reader System - Replace | \$0 | \$0 | \$0 | \$4,054 | \$0 |
| Total Expenses | \$153,980 | \$69,839 | \$10,609 | \$19,035 | \$781,666 |
| Ending Reserve Balance | \$1,353,667 | \$1,936,295 | \$2,603,481 | \$3,288,653 | \$3,234,591 |

| Fiscal Year | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Starting Reserve Balance | \$3,234,591 | \$3,884,640 | \$4,652,695 | \$5,261,944 | \$5,935,827 |
| Annual Reserve Contribution | \$715,852 | \$737,327 | \$759,447 | \$782,231 | \$805,697 |
| Recommended Special Assessments | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest Earnings | \$35,581 | \$42,669 | \$49,552 | \$55,965 | \$60,249 |
| Total Income | \$3,986,024 | \$4,664,635 | \$5,461,694 | \$6,100,140 | \$6,801,773 |
| # Component | | | | | |
| Capacity/Filter | | | | | |
| 106 Water System Plan - Update | \$59,703 | \$0 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #1 - Replace | \$0 | \$0 | \$26,135 | \$0 | \$0 |
| 901 Well Pump/Motor #2 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #3 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #1 Control - Replace | \$0 | \$0 | \$16,357 | \$0 | \$0 |
| 904 Well #2 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #3 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 907 Filter System - Maintain/Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Store/Monitor | | | | | |
| 910 Storage Tank, Steel - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 911 Storage Tank, Concrete - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 914 Storage Tank, Exterior - Recoat | \$0 | \$0 | \$0 | \$27,362 | \$0 |
| 915 Storage Tank, Exterior-Blast/Recoat | \$0 | \$0 | \$0 | \$95,388 | \$0 |
| 916 Storage Tank, Interior-Blast/Recoat | \$0 | \$0 | \$0 | \$0 | \$0 |
| 918 Reservoir Control System - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 919 Telemetry System - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Treatment/Boost | | | | | |
| 920 Hypochlorite Generator - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 922 Hypochlorite Cells - Replace | \$14,723 | \$0 | \$0 | \$0 | \$0 |
| 926 Treatment/Monitoring - Replace | \$0 | \$0 | \$0 | \$24,195 | \$0 |
| 930 Booster System, Primary - Replace | \$0 | \$0 | \$137,131 | \$0 | \$0 |
| 932 Booster System, Primary - Maintain | \$9,216 | \$0 | \$0 | \$0 | \$10,373 |
| 934 Booster System, Back Up - Maintain | \$6,150 | \$0 | \$0 | \$0 | \$6,922 |
| Distribution | | | | | |
| 940 Water Main Line Project, A-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, B-Replace | \$0 | \$0 | \$0 | \$0 | \$652,387 |
| 940 Water Main Line Project, C-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, D-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, E- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, F- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, G - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, H - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 946 Water Main Lines, 2009 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 950 Hydrants - Add/Replace | \$11,593 | \$11,941 | \$12,299 | \$12,668 | \$13,048 |
| 955 Pressure Reducing Valves - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 956 Water Meters - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 957 Water Meter Setters - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Buildings/Site | | | | | |
| 964 Building Roof - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 970 Chain Link Fence - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Systems/Equipment | | | | | |
| 980 Generator, 200 KW - Upgrade | \$0 | \$0 | \$0 | \$0 | \$0 |
| 994 Compact Tractor/Loader - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 995 Truck (1/3) - Replace | \$0 | \$0 | \$7,828 | \$0 | \$0 |
| 996 Truck - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 998 Leak Detector - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 999 Meter Reader System - Replace | \$0 | \$0 | \$0 | \$4,700 | \$0 |
| Total Expenses | \$101,384 | \$11,941 | \$199,750 | \$164,313 | \$682,729 |
| Ending Reserve Balance | \$3,884,640 | \$4,652,695 | \$5,261,944 | \$5,935,827 | \$6,119,044 |

| Fiscal Year | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|--------------------|--------------------|--------------------|--------------------|---------------------|
| Starting Reserve Balance | \$6,119,044 | \$6,975,924 | \$7,757,526 | \$8,684,636 | \$9,643,458 |
| Annual Reserve Contribution | \$829,868 | \$854,764 | \$880,407 | \$906,820 | \$934,024 |
| Recommended Special Assessments | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest Earnings | \$65,447 | \$73,636 | \$82,176 | \$91,602 | \$95,970 |
| Total Income | \$7,014,360 | \$7,904,324 | \$8,720,109 | \$9,683,057 | \$10,673,452 |
| # Component | | | | | |
| Capacity/Filter | | | | | |
| 106 Water System Plan - Update | \$0 | \$71,288 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #1 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #2 - Replace | \$0 | \$29,415 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #3 - Replace | \$0 | \$32,253 | \$0 | \$0 | \$0 |
| 904 Well #1 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #2 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #3 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 907 Filter System - Maintain/Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Store/Monitor | | | | | |
| 910 Storage Tank, Steel - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 911 Storage Tank, Concrete - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 914 Storage Tank, Exterior - Recoat | \$0 | \$0 | \$0 | \$0 | \$0 |
| 915 Storage Tank, Exterior-Blast/Recoat | \$0 | \$0 | \$0 | \$0 | \$0 |
| 916 Storage Tank, Interior-Blast/Recoat | \$0 | \$0 | \$0 | \$0 | \$0 |
| 918 Reservoir Control System - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 919 Telemetry System - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Treatment/Boost | | | | | |
| 920 Hypochlorite Generator - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 922 Hypochlorite Cells - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 926 Treatment/Monitoring - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 930 Booster System, Primary - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 932 Booster System, Primary - Maintain | \$0 | \$0 | \$0 | \$11,675 | \$0 |
| 934 Booster System, Back Up - Maintain | \$0 | \$0 | \$0 | \$7,791 | \$0 |
| Distribution | | | | | |
| 940 Water Main Line Project, A-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, B-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, C-Replace | \$0 | \$0 | \$0 | \$0 | \$907,554 |
| 940 Water Main Line Project, D-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, E- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, F- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, G - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, H - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 946 Water Main Lines, 2009 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 950 Hydrants - Add/Replace | \$13,439 | \$13,842 | \$14,258 | \$14,685 | \$15,126 |
| 955 Pressure Reducing Valves - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 956 Water Meters - Replace | \$0 | \$0 | \$0 | \$0 | \$192,099 |
| 957 Water Meter Setters - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Buildings/Site | | | | | |
| 964 Building Roof - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 970 Chain Link Fence - Replace | \$0 | \$0 | \$15,541 | \$0 | \$0 |
| Systems/Equipment | | | | | |
| 980 Generator, 200 KW - Upgrade | \$0 | \$0 | \$0 | \$0 | \$0 |
| 994 Compact Tractor/Loader - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 995 Truck (1/3) - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 996 Truck - Replace | \$24,997 | \$0 | \$0 | \$0 | \$0 |
| 998 Leak Detector - Replace | \$0 | \$0 | \$5,675 | \$0 | \$0 |
| 999 Meter Reader System - Replace | \$0 | \$0 | \$0 | \$5,448 | \$0 |
| Total Expenses | \$38,436 | \$146,798 | \$35,473 | \$39,599 | \$1,114,779 |
| Ending Reserve Balance | \$6,975,924 | \$7,757,526 | \$8,684,636 | \$9,643,458 | \$9,558,674 |

| Fiscal Year | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Starting Reserve Balance | \$9,558,674 | \$10,069,478 | \$11,150,392 | \$12,141,896 | \$13,070,225 |
| Annual Reserve Contribution | \$962,045 | \$990,906 | \$1,020,633 | \$1,051,252 | \$1,082,790 |
| Recommended Special Assessments | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest Earnings | \$98,099 | \$106,054 | \$116,412 | \$126,007 | \$130,432 |
| Total Income | \$10,618,818 | \$11,166,439 | \$12,287,437 | \$13,319,155 | \$14,283,448 |
| # Component | | | | | |
| Capacity/Filter | | | | | |
| 106 Water System Plan - Update | \$0 | \$0 | \$85,122 | \$0 | \$0 |
| 901 Well Pump/Motor #1 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #2 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #3 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #1 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #2 Control - Replace | \$0 | \$0 | \$21,983 | \$0 | \$0 |
| 904 Well #3 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 907 Filter System - Maintain/Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Store/Monitor | | | | | |
| 910 Storage Tank, Steel - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 911 Storage Tank, Concrete - Replace | \$197,862 | \$0 | \$0 | \$0 | \$0 |
| 914 Storage Tank, Exterior - Recoat | \$0 | \$0 | \$0 | \$36,773 | \$0 |
| 915 Storage Tank, Exterior-Blast/Recoat | \$0 | \$0 | \$0 | \$128,193 | \$0 |
| 916 Storage Tank, Interior-Blast/Recoat | \$197,083 | \$0 | \$0 | \$0 | \$0 |
| 918 Reservoir Control System - Replace | \$0 | \$0 | \$0 | \$54,308 | \$0 |
| 919 Telemetry System - Replace | \$0 | \$0 | \$0 | \$6,316 | \$0 |
| Treatment/Boost | | | | | |
| 920 Hypochlorite Generator - Replace | \$57,801 | \$0 | \$0 | \$0 | \$0 |
| 922 Hypochlorite Cells - Replace | \$19,786 | \$0 | \$0 | \$0 | \$0 |
| 926 Treatment/Monitoring - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 930 Booster System, Primary - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 932 Booster System, Primary - Maintain | \$0 | \$0 | \$13,140 | \$0 | \$0 |
| 934 Booster System, Back Up - Maintain | \$0 | \$0 | \$8,768 | \$0 | \$0 |
| Distribution | | | | | |
| 940 Water Main Line Project, A-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, B-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, C-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, D-Replace | \$0 | \$0 | \$0 | \$0 | \$1,227,454 |
| 945 Remaining Main Lines, E- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, F- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, G - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, H - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 946 Water Main Lines, 2009 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 950 Hydrants - Add/Replace | \$15,580 | \$16,047 | \$16,528 | \$17,024 | \$17,535 |
| 955 Pressure Reducing Valves - Replace | \$61,228 | \$0 | \$0 | \$0 | \$0 |
| 956 Water Meters - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 957 Water Meter Setters - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Buildings/Site | | | | | |
| 964 Building Roof - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 970 Chain Link Fence - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Systems/Equipment | | | | | |
| 980 Generator, 200 KW - Upgrade | \$0 | \$0 | \$0 | \$0 | \$0 |
| 994 Compact Tractor/Loader - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 995 Truck (1/3) - Replace | \$0 | \$0 | \$0 | \$0 | \$11,161 |
| 996 Truck - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 998 Leak Detector - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 999 Meter Reader System - Replace | \$0 | \$0 | \$0 | \$6,316 | \$0 |
| Total Expenses | \$549,339 | \$16,047 | \$145,541 | \$248,930 | \$1,256,150 |
| Ending Reserve Balance | \$10,069,478 | \$11,150,392 | \$12,141,896 | \$13,070,225 | \$13,027,297 |

| Fiscal Year | 2037 | 2038 | 2039 | 2040 | 2041 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Starting Reserve Balance | \$13,027,297 | \$14,279,045 | \$15,444,053 | \$16,752,521 | \$17,814,760 |
| Annual Reserve Contribution | \$1,115,274 | \$1,148,732 | \$1,183,194 | \$1,218,690 | \$1,255,250 |
| Recommended Special Assessments | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest Earnings | \$136,474 | \$148,552 | \$160,914 | \$172,763 | \$185,231 |
| Total Income | \$14,279,045 | \$15,576,329 | \$16,788,161 | \$18,143,974 | \$19,255,241 |
| # Component | | | | | |
| Capacity/Filter | | | | | |
| 106 Water System Plan - Update | \$0 | \$0 | \$0 | \$101,640 | \$0 |
| 901 Well Pump/Motor #1 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #2 - Replace | \$0 | \$39,531 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #3 - Replace | \$0 | \$43,345 | \$0 | \$0 | \$0 |
| 904 Well #1 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #2 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #3 Control - Replace | \$0 | \$24,742 | \$0 | \$0 | \$0 |
| 907 Filter System - Maintain/Replace | \$0 | \$0 | \$0 | \$220,252 | \$0 |
| Store/Monitor | | | | | |
| 910 Storage Tank, Steel - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 911 Storage Tank, Concrete - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 914 Storage Tank, Exterior - Recoat | \$0 | \$0 | \$0 | \$0 | \$0 |
| 915 Storage Tank, Exterior-Blast/Recoat | \$0 | \$0 | \$0 | \$0 | \$0 |
| 916 Storage Tank, Interior-Blast/Recoat | \$0 | \$0 | \$0 | \$0 | \$0 |
| 918 Reservoir Control System - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 919 Telemetry System - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Treatment/Boost | | | | | |
| 920 Hypochlorite Generator - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 922 Hypochlorite Cells - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 926 Treatment/Monitoring - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 930 Booster System, Primary - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 932 Booster System, Primary - Maintain | \$0 | \$14,789 | \$0 | \$0 | \$0 |
| 934 Booster System, Back Up - Maintain | \$0 | \$9,869 | \$0 | \$0 | \$0 |
| Distribution | | | | | |
| 940 Water Main Line Project, A-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, B-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, C-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, D-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, E- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, F- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, G - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, H - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 946 Water Main Lines, 2009 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 950 Hydrants - Add/Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 955 Pressure Reducing Valves - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 956 Water Meters - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 957 Water Meter Setters - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Buildings/Site | | | | | |
| 964 Building Roof - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 970 Chain Link Fence - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Systems/Equipment | | | | | |
| 980 Generator, 200 KW - Upgrade | \$0 | \$0 | \$0 | \$0 | \$0 |
| 994 Compact Tractor/Loader - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 995 Truck (1/3) - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 996 Truck - Replace | \$0 | \$0 | \$35,640 | \$0 | \$0 |
| 998 Leak Detector - Replace | \$0 | \$0 | \$0 | \$0 | \$8,091 |
| 999 Meter Reader System - Replace | \$0 | \$0 | \$0 | \$7,322 | \$0 |
| Total Expenses | \$0 | \$132,276 | \$35,640 | \$329,214 | \$8,091 |
| Ending Reserve Balance | \$14,279,045 | \$15,444,053 | \$16,752,521 | \$17,814,760 | \$19,247,151 |

| Fiscal Year | 2042 | 2043 | 2044 | 2045 | 2046 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Starting Reserve Balance | \$19,247,151 | \$20,685,292 | \$22,231,480 | \$23,536,995 | \$23,821,252 |
| Annual Reserve Contribution | \$1,292,908 | \$1,331,695 | \$1,371,646 | \$1,412,795 | \$1,455,179 |
| Recommended Special Assessments | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest Earnings | \$199,577 | \$214,493 | \$228,745 | \$236,691 | \$241,157 |
| Total Income | \$20,739,636 | \$22,231,480 | \$23,831,871 | \$25,186,481 | \$25,517,588 |
| # Component | | | | | |
| Capacity/Filter | | | | | |
| 106 Water System Plan - Update | \$0 | \$0 | \$0 | \$0 | \$121,363 |
| 901 Well Pump/Motor #1 - Replace | \$0 | \$0 | \$47,202 | \$0 | \$0 |
| 901 Well Pump/Motor #2 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 901 Well Pump/Motor #3 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #1 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #2 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 904 Well #3 Control - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 907 Filter System - Maintain/Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Store/Monitor | | | | | |
| 910 Storage Tank, Steel - Replace | \$0 | \$0 | \$0 | \$1,091,342 | \$0 |
| 911 Storage Tank, Concrete - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 914 Storage Tank, Exterior - Recoat | \$0 | \$0 | \$0 | \$49,419 | \$0 |
| 915 Storage Tank, Exterior-Blast/Recoat | \$0 | \$0 | \$0 | \$172,281 | \$0 |
| 916 Storage Tank, Interior-Blast/Recoat | \$0 | \$0 | \$0 | \$0 | \$0 |
| 918 Reservoir Control System - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 919 Telemetry System - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Treatment/Boost | | | | | |
| 920 Hypochlorite Generator - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 922 Hypochlorite Cells - Replace | \$26,591 | \$0 | \$0 | \$0 | \$0 |
| 926 Treatment/Monitoring - Replace | \$0 | \$0 | \$0 | \$43,699 | \$0 |
| 930 Booster System, Primary - Replace | \$0 | \$0 | \$247,674 | \$0 | \$0 |
| 932 Booster System, Primary - Maintain | \$16,646 | \$0 | \$0 | \$0 | \$18,735 |
| 934 Booster System, Back Up - Maintain | \$11,107 | \$0 | \$0 | \$0 | \$12,502 |
| Distribution | | | | | |
| 940 Water Main Line Project, A-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, B-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, C-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 940 Water Main Line Project, D-Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, E- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, F- Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, G - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 945 Remaining Main Lines, H - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 946 Water Main Lines, 2009 - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 950 Hydrants - Add/Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 955 Pressure Reducing Valves - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 956 Water Meters - Replace | \$0 | \$0 | \$0 | \$0 | \$299,284 |
| 957 Water Meter Setters - Replace | \$0 | \$0 | \$0 | \$0 | \$553,675 |
| Buildings/Site | | | | | |
| 964 Building Roof - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 970 Chain Link Fence - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Systems/Equipment | | | | | |
| 980 Generator, 200 KW - Upgrade | \$0 | \$0 | \$0 | \$0 | \$0 |
| 994 Compact Tractor/Loader - Replace | \$0 | \$0 | \$0 | \$0 | \$81,302 |
| 995 Truck (1/3) - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 996 Truck - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 998 Leak Detector - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 999 Meter Reader System - Replace | \$0 | \$0 | \$0 | \$8,488 | \$0 |
| Total Expenses | \$54,344 | \$0 | \$294,876 | \$1,365,229 | \$1,086,860 |
| Ending Reserve Balance | \$20,685,292 | \$22,231,480 | \$23,536,995 | \$23,821,252 | \$24,430,728 |

Accuracy, Limitations, and Disclosures

Washington disclosure, per RCW:

"The reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair or replacement of a reserve component."

Because we have no control over future events, we do not expect that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect Reserve funds to continue to earn interest, so we believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. We can control measurements, which we attempt to establish within 5% accuracy through a combination of on-site measurements, drawings, and satellite imagery. The starting Reserve Balance and interest rate earned on deposited Reserve funds that you provided to us were considered reliable and were not confirmed independently. We have considered the association's representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable. Component Useful Life, Remaining Useful Life, and Current Cost estimates assume a stable economic environment and lack of natural disasters.

Because the physical condition of your components, the association's Reserve balance, the economic environment, and legislative environment change each year, this Reserve Study is by nature a "one-year" document. Because a long-term perspective improves the accuracy of near-term planning, this Report projects expenses for the next 30 years. It is our recommendation and that of the Financial Accounting Standards Board (FASB) that your Reserve Study be updated each year as part of the annual budget process.

Association Reserves WA, LLC and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. James D. Talaga R.S., company president, is a credentialed Reserve Specialist (#66). All work done by Association Reserves WA, LLC is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association's situation

Terms and Definitions

| | |
|------------------------------------|--|
| BTU | British Thermal Unit (a standard unit of energy) |
| DIA | Diameter |
| GSF | Gross Square Feet (area). Equivalent to Square Feet |
| GSY | Gross Square Yards (area). Equivalent to Square Yards |
| HP | Horsepower |
| LF | Linear Feet (length) |
| Effective Age | The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component. |
| Fully Funded Balance (FFB) | The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total. |
| Inflation | Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table. |
| Interest | Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary. |
| Percent Funded | The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage. |
| Remaining Useful Life (RUL) | The estimated time, in years, that a common area component can be expected to continue to serve its intended function. |
| Useful Life (UL) | The estimated time, in years, that a common area component can be expected to serve its intended function. |

Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from our research and analysis. The information presented here represents a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding.

- 1) Common area repair & replacement responsibility
- 2) Component must have a limited useful life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of Annual operating expenses).

Not all your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above four criteria are shown with the Useful Life (how often the project is expected to occur), Remaining Useful Life (when the next instance of the expense will be) and representative market cost range termed “Best Cost” and “Worst Cost”. There are many factors that can result in a wide variety of potential costs, and we have attempted to present the cost range in which your actual expense will occur.

Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

Capacity/Filter

Comp #: 102 Loans - Payoff**Quantity: Significant principals**

Location: Interfund and Washington State loans
Funded?: No. Annual cost best handled as operating expense
History:
Comments:
Useful Life: 0 years
Best Case:
Cost Source:

Remaining Life:
Worst Case:

Comp #: 106 Water System Plan - Update**Quantity: Every 6 years**

Location: Community water system
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: FY 2014/2015, FY 2015/2016 and FY 2016/2017, total expense of ~\$50,000
Comments: Adjusted RUL to reflect FY2016/2017 final cost/completion, annual inflation adjustment 3%
Useful Life: 6 years
Best Case: \$ 47,500
Lower allowance
Cost Source: Client Cost History/Estimate Provided by Client

Remaining Life: 5 years
Worst Case: \$55,500
Higher allowance

Comp #: 113 Sanitary Survey - Update**Quantity: Every 5 years**

Location: Water system components
Funded?: No. Cost projected to be too small
History:
Comments:
Useful Life: 0 years
Best Case:
Cost Source:

Remaining Life:
Worst Case:

Comp #: 900 Wells - Replace**Quantity: (2) active (1) reserve**

Location: In the vicinity of 2880 East Timberlake Drive West
Funded?: No. Useful life not predictable or extended
History: Well #1 was drilled in 1967 (currently a non-active reserve), Well #2 in 1971 and Well #3 was drilled in 2001
Comments:
Useful Life: 0 years
Best Case:
Cost Source:

Remaining Life:
Worst Case:

Comp #: 901 Well Pump/Motor #1 - Replace**Quantity: (1) 25 HP submersible 6"**

Location: Pump house adjacent to Watershed, 2880 East Timberlake Drive West
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: Reportedly replaced last in 2004
Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%
Useful Life: 20 years
Best Case: \$ 19,100
Lower allowance
Cost Source: ARI Cost Database: Similar Project
Cost History

Remaining Life: 7 years
Worst Case: \$23,400
Higher allowance

Comp #: 901 Well Pump/Motor #2 - Replace**Quantity: (1) 25 HP submersible 6"**

Location: 700' SE of Well #1
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: Reportedly replaced last in 2004
Comments: No change in RUL, annual inflation adjustment 3%
Useful Life: 10 years
Best Case: \$ 19,100
Lower allowance
Cost Source: ARI Cost Database: Similar Project
Cost History

Remaining Life: 1 years
Worst Case: \$23,400
Higher allowance

Comp #: 901 Well Pump/Motor #3 - Replace**Quantity: (1) 30 HP submersible 8"**

Location: 150' SE of Well #1

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Reportedly replaced last in 2008

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 10 years

Remaining Life: 1 years

Best Case: \$ 21,200

Worst Case: \$25,400

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project

Cost History

Comp #: 904 Well #1 Control - Replace**Quantity: (1) motor control**

Location: Pump house adjacent to Watershed, 2880 East Timberlake Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History:

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 30 years

Remaining Life: 7 years

Best Case: \$ 10,600

Worst Case: \$16,000

Lower allowance

Higher allowance

Cost Source: Previous research with Local

Contractor

Comp #: 904 Well #2 Control - Replace**Quantity: (1) motor control**

Location: 700' SE of Well #1

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Reportedly replaced last in 2004

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 30 years

Remaining Life: 17 years

Best Case: \$ 10,600

Worst Case: \$16,000

Lower allowance

Higher allowance

Cost Source: Previous research with Local

Contractor

Comp #: 904 Well #3 Control - Replace**Quantity: (1) motor control**

Location: 150' SE of Well #1

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Reportedly replaced last in 2008

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 30 years

Remaining Life: 21 years

Best Case: \$ 10,600

Worst Case: \$16,000

Lower allowance

Higher allowance

Cost Source: Previous research with Local

Contractor

Comp #: 905 Source Flow Meters - Replace**Quantity: (3) source meters**

Location: Wells

Funded?: No. Individual cost projected to be too small

History:

Comments:

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 907 Filter System - Maintain/Replace**Quantity: (6) tank system**

Location: 2880 East Timberlake Drive West, Pump House

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Reportedly replaced last in 2005; segregated portion ~\$80,000

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 35 years

Remaining Life: 23 years

Best Case: \$ 90,200

Worst Case: \$133,000

Lower allowance

Higher allowance

Cost Source: Client Cost History/Similar Project

Cost History

Comp #: 908 Backwash Infiltration Pond-Maintain

Quantity: Extensive square feet

Location: 2880 East Timberlake Drive West, adjacent to Pump Station

Funded?: No. Useful life not predictable or extended

History:

Comments:

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Store/Monitor

Comp #: 910 Storage Tank, Steel - Replace**Quantity: (1) 200,000 gallon**

Location: 2880 East Timberlake Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Installed in 1995 at an expense of ~\$300,000

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 50 years

Remaining Life: 28 years

Best Case: \$ 424,000

Worst Case: \$530,000

Lower allowance

Higher allowance

Cost Source: Client Cost History/Similar Project

Cost History

Comp #: 911 Storage Tank, Concrete - Replace**Quantity: (1) 60,000 gallon**

Location: 2880 East Timberlake Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Reportedly installed in the late 1960's/early 1970's

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 60 years

Remaining Life: 15 years

Best Case: \$ 106,000

Worst Case: \$148,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project

Cost History

Comp #: 912 Storage Tank, Interiors - Clean**Quantity: (1) 200k gal (1) 60k gal**

Location: 2880 East Timberlake Drive West

Funded?: No. Annual cost best handled as operating expense

History:

Comments:

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 914 Storage Tank, Exterior - Recoat**Quantity: (1) 200,000 gallon**

Location: 2880 East Timberlake Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: FY 2015/2016 project at expense of \$20,840

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 10 years

Remaining Life: 8 years

Best Case: \$ 18,500

Worst Case: \$24,700

Lower allowance

Higher allowance

Cost Source: Client Cost History

Comp #: 915 Storage Tank, Exterior-Blast/Recoat**Quantity: (1) 200,000 gallon**

Location: 2880 East Timberlake Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History:

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3% Additional allowance to remove old finish and install new coating (combine with #914 for total project)

Useful Life: 10 years

Remaining Life: 8 years

Best Case: \$ 70,000

Worst Case: \$80,600

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project

Cost History

Comp #: 916 Storage Tank, Interior-Blast/Recoat**Quantity: (1) 200,000 gallon**

Location: 2880 East Timberlake Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Interior was refurbished in 2012 at an expense of \$112,000

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 20 years

Remaining Life: 15 years

Best Case: \$ 118,000

Worst Case: \$135,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project

Cost History

Comp #: 918 Reservoir Control System - Replace

Quantity: (1) control panel

Location: 2880 East Timberlake Drive West, Pump House

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Installed in 2005; no segregated cost history was provided

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 30 years

Remaining Life: 18 years

Best Case: \$ 26,600

Worst Case: \$37,200

Lower allowance

Higher allowance

Cost Source: Previous research with Local

Contractor

Comp #: 919 Telemetry System - Replace

Quantity: (1) system

Location: 2880 East Timberlake Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Installed in 2005

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 15 years

Remaining Life: 3 years

Best Case: \$ 3,180

Worst Case: \$4,240

Lower allowance

Higher allowance

Cost Source: Previous research with Local

Contractor

Treatment/Boost

Comp #: 920 Hypochlorite Generator - Replace

Quantity: (1) US Filter

Location: 2880 East Timberlake Drive West
 Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
 History: Installed in 2005
 Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%
 Add cost of Component #922, cell replacement to arrive at total expense
 Useful Life: 30 years
 Best Case: \$ 31,800
 Lower allowance
 Cost Source: Previous research with Local Contractor

Remaining Life: 15 years
 Worst Case: \$42,400
 Higher allowance

Comp #: 922 Hypochlorite Cells - Replace

Quantity: (1) US Filter

Location: 2880 East Timberlake Drive West
 Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
 History: Equipment upgrade to facilitate improved design / type in 2012 / 2013 at project expense of \$12,000
 Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%
 Useful Life: 10 years
 Best Case: \$ 10,600
 Lower allowance
 Cost Source: Previous research with Local Contractor

Remaining Life: 5 years
 Worst Case: \$14,800
 Higher allowance

Comp #: 926 Treatment/Monitoring - Replace

Quantity: Pumps, sensors, monitors

Location: 2880 East Timberlake Drive West
 Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
 History: Equipment installed in 2005; no segregated expense provided.
 Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%
 Useful Life: 20 years
 Best Case: \$ 17,000
 Lower allowance
 Cost Source: Previous research with Local Contractor

Remaining Life: 8 years
 Worst Case: \$21,200
 Higher allowance

Comp #: 929 Cla-Val Valves - Replace

Quantity: (2) flow control

Location: Water system, before filter and between reservoirs
 Funded?: No. Annual cost best handled as operating expense
 History:
 Comments:
 Useful Life: 0 years
 Best Case:
 Cost Source:

Remaining Life:
 Worst Case:

Comp #: 929 System Components, Small - Replace

Quantity: Assorted systems

Location: Water system, various
 Funded?: No. Annual cost best handled as operating expense
 History:
 Comments:
 Useful Life: 0 years
 Best Case:
 Cost Source:

Remaining Life:
 Worst Case:

Comp #: 930 Booster System, Primary - Replace

Quantity: (1) Paco 9000

Location: 2880 East Timberlake Drive West, Pump Station
 Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
 History: Existing skid was installed in 2004 as part of project expense of ~\$113,000
 Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%
 Useful Life: 20 years
 Best Case: \$ 101,000
 Lower allowance
 Cost Source: Previous research with Local Contractor

Remaining Life: 7 years
 Worst Case: \$122,000
 Higher allowance

Comp #: 932 Booster System, Primary - Maintain

Quantity: (1) Paco 9000

Location: 2880 East Timberlake Drive West, Pump Station

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: 2014 project to replace (1) pump, rebuild (1) pump at \$10,000 expense, 2012 expense of \$4,000

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 4 years

Remaining Life: 1 years

Best Case: \$ 5,300

Worst Case: \$10,600

Lower allowance

Higher allowance

Cost Source: Client Cost History/Similar Project

Cost History

Comp #: 934 Booster System, Back Up - Maintain

Quantity: (1) system, quad pump

Location: 2880 East Timberlake Drive West, Water Shed

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Installed in 1967; replacements of pumps in 1991

Comments: No change in RUL, annual inflation adjustment 3%

Useful Life: 4 years

Remaining Life: 1 years

Best Case: \$ 4,240

Worst Case: \$6,370

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project

Cost History

Distribution

Comp #: 940 Water Main Line Project, A-Replace**Quantity: Approx 2,600 LF**

Location: Agate Drive (from West Lakeshore Drive to Pickering Drive)

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History:

Comments: Increased UL / RUL and cost allowance significantly per WSP and review with your expert consultant

Useful Life: 100 years

Remaining Life: 4 years

Best Case: \$ 520,000

Worst Case: \$780,000

Lower allowance

Higher allowance

Cost Source: Review of FY 2016/2017 WSP and your expert consultant

Comp #: 940 Water Main Line Project, B-Replace**Quantity: Approx 2,000 LF**

Location: McClane Drive and Totten Place

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History:

Comments: Increased UL / RUL and cost allowance significantly per WSP and review with your expert consultant

Useful Life: 100 years

Remaining Life: 9 years

Best Case: \$ 400,000

Worst Case: \$600,000

Lower allowance

Higher allowance

Cost Source: Review of FY 2016/2017 WSP and your expert consultant

Comp #: 940 Water Main Line Project, C-Replace**Quantity: Approx 2,400 LF**

Location: Lakeshore Drive West and Timber Parkway

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History:

Comments: Increased UL / RUL and cost allowance significantly per WSP and review with your expert consultant

Useful Life: 100 years

Remaining Life: 14 years

Best Case: \$ 480,000

Worst Case: \$720,000

Lower allowance

Higher allowance

Cost Source: Review of FY 2016/2017 WSP and your expert consultant

Comp #: 940 Water Main Line Project, D-Replace**Quantity: Approx 2,800 LF**

Location: Pickering Drive, Park Drive and Lakeshore Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History:

Comments: Increased UL / RUL and cost allowance significantly per WSP and review with your expert consultant

Useful Life: 100 years

Remaining Life: 19 years

Best Case: \$ 560,000

Worst Case: \$840,000

Lower allowance

Higher allowance

Cost Source: Review of FY 2016/2017 WSP and your expert consultant

Comp #: 945 Remaining Main Lines, E- Replace**Quantity: ~(1/4) of 59,000 LF**

Location: Throughout community

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History:

Comments: Increased UL / RUL and cost allowance significantly per review with your expert consultant

Useful Life: 100 years

Remaining Life: 49 years

Best Case: \$ 2,241,250

Worst Case: \$3,191,250

Lower allowance

Higher allowance

Cost Source: Review of FY 2016/2017 WSP and your expert consultant

Comp #: 945 Remaining Main Lines, F - Replace **Quantity: ~(1/4) of 59,000 LF**
Location: Throughout community
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History:
Comments: Increased UL / RUL and cost allowance significantly per review with your expert consultant
Useful Life: 100 years Remaining Life: 50 years
Best Case: \$ 2,241,250 Lower allowance Worst Case: \$3,191,250 Higher allowance
Cost Source: Review of FY 2016/2017 WSP and your expert consultant

Comp #: 945 Remaining Main Lines, G - Replace **Quantity: ~(1/4) of 59,000 LF**
Location: Throughout community
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History:
Comments: Increased UL / RUL and cost allowance significantly per review with your expert consultant
Useful Life: 100 years Remaining Life: 51 years
Best Case: \$ 2,241,250 Lower allowance Worst Case: \$3,191,250 Higher allowance
Cost Source: Review of FY 2016/2017 WSP and your expert consultant

Comp #: 945 Remaining Main Lines, H - Replace **Quantity: ~(1/4) of 59,000 LF**
Location: Throughout community
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History:
Comments: Increased UL / RUL and cost allowance significantly per review with your expert consultant
Useful Life: 100 years Remaining Life: 52 years
Best Case: \$ 2,241,250 Lower allowance Worst Case: \$3,191,250 Higher allowance
Cost Source: Review of FY 2016/2017 WSP and your expert consultant

Comp #: 946 Water Main Lines, 2009 - Replace **Quantity: Approx 2,600 LF**
Location: Eastlake Drive from E Timberlake Drive W to Timberlake Drive E
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: First phase of project was completed in 2009
Comments: Increased UL / RUL and cost allowance significantly per review with your expert consultant
Useful Life: 100 years Remaining Life: 92 years
Best Case: \$ 520,000 Lower allowance Worst Case: \$780,000 Higher allowance
Cost Source: Review of FY 2016/2017 WSP and your expert consultant

Comp #: 947 Service Lines - Replace **Quantity: Extensive linear feet**
Location: Service connections throughout community
Funded?: No. Annual cost best handled as operating expense
History:
Comments:
Useful Life: 0 years Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 948 Service Connections - Replace **Quantity: ~(700) steel fittings**
Location: Service connections throughout community
Funded?: No. Annual cost best handled as operating expense
History:
Comments:
Useful Life: 0 years Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 950 Hydrants - Add/Replace**Quantity: (18) hydrants, existing**

Location: Water distribution throughout community

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History:

Comments: Increased UL / RUL and cost allowance per FY 2016/2017 WSP and review with your expert consultant
Increased quantity of recommended additions to 40 total at 2 per year for 20 years, \$10,000 annual expense (project assumed from FY 2017/2018 - FY 2036/2037)

Useful Life: 1 years

Remaining Life: 0 years

Best Case: \$ 8,000

Worst Case: \$12,000

Lower allowance

Higher allowance

Cost Source: Review of FY 2016/2017 WSP and your expert consultant

Comp #: 954 Blow-Out/Isolation Valves - Replace**Quantity: (65) total, assorted**

Location: Water service points of community

Funded?: No. Annual cost best handled as operating expense

History:

Comments:

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 955 Pressure Reducing Valves - Replace**Quantity: ~(570) Cash Acme EB86U**

Location: Water service points of community

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History:

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 25 years

Remaining Life: 15 years

Best Case: \$ 33,300

Worst Case: \$45,300

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project

Cost History

Comp #: 956 Water Meters - Replace**Quantity: (1,270) meters**

Location: Water service points of community

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Reportedly installed between 1997-1999

Comments: Adjusted RUL, quantity to reflect all replacements in FY 2016/2017 (1,270), cost allowance extrapolation same as last report

Useful Life: 15 years

Remaining Life: 14 years

Best Case: \$ 114,300

Worst Case: \$139,700

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client

Comp #: 957 Water Meter Setters - Replace**Quantity: (1,270) boxes/setters**

Location: Water service points of community

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Reportedly installed between 1997-1999

Comments: Adjusted RUL, quantity to reflect all water meter replacements in FY 2016/2017 (1,270), cost allowance annual inflation adjustment 3%

Useful Life: 45 years

Remaining Life: 29 years

Best Case: \$ 228,600

Worst Case: \$241,300

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project

Cost History

Buildings/Site

Comp #: 960 Building Exterior - Maintain/Repair**Quantity: Approx 3,200 GSF**

Location: In the vicinity of 2880 East Timberlake Drive West
Funded?: No. Annual cost best handled as operating expense
History:
Comments:
Useful Life: 0 years
Best Case:
Cost Source:

Remaining Life:
Worst Case:

Comp #: 962 Building Interior - Maintain/Repair**Quantity: Extensive GSF**

Location: In the vicinity of 2880 East Timberlake Drive West
Funded?: No. Annual cost best handled as operating expense
History:
Comments:
Useful Life: 0 years
Best Case:
Cost Source:

Remaining Life:
Worst Case:

Comp #: 964 Building Roof - Replace**Quantity: Approx 3,800 GSF**

Location: In the vicinity of 2880 East Timberlake Drive West
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History:
Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%
Useful Life: 40 years
Best Case: \$ 28,200
Lower allowance
Cost Source: ARI Cost Database: Similar Project
Cost History

Remaining Life: 30 years
Worst Case: \$36,300
Higher allowance

Comp #: 966 Electrical/Plumbing-Repair/Replace**Quantity: Extensive systems**

Location: Throughout buildings
Funded?: No. Useful life not predictable or extended
History:
Comments:
Useful Life: 0 years
Best Case:
Cost Source:

Remaining Life:
Worst Case:

Comp #: 970 Chain Link Fence - Replace**Quantity: Approx 500 linear feet**

Location: Adjacent to Shop and Wells
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History:
Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%
Useful Life: 30 years
Best Case: \$ 10,200
Lower allowance
Cost Source: ARI Cost Database: Similar Project
Cost History

Remaining Life: 12 years
Worst Case: \$11,600
Higher allowance

Systems/Equipment

Comp #: 980 Generator, 200 KW - Upgrade

Quantity: (1) 200 KW, new

Location: 2880 East Timberlake Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: our current plans to replace in FY 2017/2018 at preliminary bid of \$140,000; last installed 1996 at an expense of \$36,000

Comments: No change in RUL and cost allowance / estimate per client bid Your current plans to replace in FY 2017/2018 at preliminary bid of \$140,000

Useful Life: 40 years

Remaining Life: 0 years

Best Case: \$ 120,000

Worst Case: \$160,000

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client

Comp #: 986 Generator, 100 KW - Replace

Quantity: (1) Onan 100KW

Location: 2880 East Timberlake Drive West

Funded?: No. Research indicates now considered an HOA asset (not Water System)

History:

Comments:

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 988 Generator Control - Replace

Quantity: (1) GE MX150

Location: 2880 East Timberlake Drive West

Funded?: No. Research indicates now considered an HOA asset (not Water System)

History: Installed in 2004

Comments:

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 990 Office Equipment/Furniture-Replace

Quantity: Minor equipment

Location: 2880 East Timberlake Drive West, Water Shed

Funded?: No. Annual cost best handled as operating expense

History:

Comments:

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 991 Small Equipment/Tools - Replace

Quantity: Minor equipment

Location: 2880 East Timberlake Drive West, Water Shed

Funded?: No. Annual cost best handled as operating expense

History:

Comments:

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 994 Compact Tractor/Loader - Replace

Quantity: (1) Kubota B20

Location: 2880 East Timberlake Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Purchased new in 1996 at an expense of \$26,000

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 25 years

Remaining Life: 4 years

Best Case: \$ 31,800

Worst Case: \$37,200

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project

Cost History

Comp #: 995 Truck (1/3) - Replace**Quantity: (1) 1992 GMC 3500HD**

Location: 2880 East Timberlake Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Purchased in 2012 at a total expense of only \$6,500 (cost split = 2/3 HOA and 1/3 Water System)

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3% Water System portion (1/3)

Useful Life: 12 years

Remaining Life: 7 years

Best Case: \$ 5,300

Worst Case: \$7,430

Lower allowance

Higher allowance

Cost Source: Client Cost History

Comp #: 996 Truck - Replace**Quantity: (1) 2008 Ford F150**

Location: 2880 East Timberlake Drive West

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Used truck, FY 2015/2016 purchase at expense of \$14,500

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 12 years

Remaining Life: 10 years

Best Case: \$ 16,000

Worst Case: \$21,200

Lower allowance

Higher allowance

Cost Source: Client Cost History/Similar Project

Cost History

Comp #: 998 Leak Detector - Replace**Quantity: (1) system**

Location: MPC office

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Replaced last in 2005 at an expense of \$3,000

Comments: No change in RUL, annual inflation adjustment 3%

Useful Life: 12 years

Remaining Life: 0 years

Best Case: \$ 3,720

Worst Case: \$4,240

Lower allowance

Higher allowance

Cost Source: Client Cost History/Similar Project

Cost History

Comp #: 999 Meter Reader System - Replace**Quantity: (2) meters, software**

Location: MPC office

Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding

History: Replaced last in FY 2015/2016; previous 2010

Comments: Deducted 1 yr. from RUL, annual inflation adjustment 3%

Useful Life: 5 years

Remaining Life: 3 years

Best Case: \$ 3,180

Worst Case: \$4,240

Lower allowance

Higher allowance

Cost Source: Client Cost History/Similar Project

Cost History