Reserve Study Level III

Prepared for Clearwood HOA

2024 Fiscal Year

Prepared by CEDCORE, LLC
Version 3

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1. Executive Summary

Report Details			
Association Name:	Clearwood HOA		
Location:	Yelm, WA	**Number of Units:**	1,355
Physical Description	PUD/Single Family	**Site Visit Date:**	N/A
Level of Service:	Level III		
Report Period:	FY 2024	**Projection Period:**	2024 - 2053

Reserve Account Snap Shot January 1, 2024	
Projected Reserve Balance:	$535,889
Fully Funded Reserve Balance:	$5,734,823
Percent Funded:	9 %
Reserve Surplus or (-) Deficit Per Unit:	($3,837)
Current Monthly Reserve Fund Contribution:	$52,791
Interest Rate	1.00 %
Inflation Rate	3.00 %

2024 Reserve Contribution Requirements (based on the above position)		
Full Funding	Monthly Reserve Contribution:	$55,000
	Monthly Reserve Contribution Per Unit (Average):	$41
	Special Assessment Required for this Plan:	$376,000
Baseline Funding	Monthly Reserve Contribution:	$45,750
	Monthly Reserve Contribution Per Unit (Average):	$34
	Special Assessment Required for this Plan:	$376,000

Based upon the budget and maintenance practices of the association we have used a funding threshold of $8,424. Expenses below $8,424 are not funded within this report and best treated as a maintenance expense. We have included comments within the Component Analysis Section of this report.

The projected reserve fund balance is estimated based on the current reserve fund balance adding any remaining budgeted contributions and subtracting any planned projects to be completed prior to the end of the fiscal year.

The Association will need to increase their contributions by an average of $1.63 per Unit per month as well as a Special Assessment in 2024 of $277.49 average per Unit in order to get on the path to Full Funding.

1.1 Table 1 - Component List

Component	Quantity	Current Cost	UL	RUL
Caustic Systems: Repair/Replace	2 Units	$28,200	30	0
Cla-Val Valves: Repair/Replace	Unfunded as directed by Association			
Fence, Reservoir: Replace	500 Linear Feet	$15,800	40	14
Fence, Well Site: Replace	720 Linear Feet	$22,700	40	14
Generator & Controls, Well #1 & 2: Replace	1 Allowance	$52,600	50	40
Generator, Well #4: Replace	1 Allowance	$57,600	50	22
Hydrant - Near Maintenance Bldg	1 Each	$6,620	30	19
Leak Detection	1 Allowance	$15,800	4	2
Maintenance Eqpt, Truck, Toyota Tacoma, 2008	1 Allowance	$26,900	10	1
Project 10A: Design - Service Lines, Meter and Roadway Replacement	1 Allowance	$43,700	40	5
Project 10B: Construction - Service Lines, Meter and Roadway Replacement	1 Allowance	$218,000	40	6
Project 11A: Design - Service Lines, Meter and Roadway Replacement	1 Allowance	$76,400	40	5
Project 11B: Construction - Service Lines, Meter and Roadway Replacement	1 Allowance	$382,000	40	6
Project 12A: Design - Service Lines, Meter and Roadway Replacement	1 Allowance	$49,400	40	6
Project 12B: Construction - Service Lines, Meter and Roadway Replacement	1 Allowance	$247,000	40	7
Project 1A: Design - Service Lines, Meter, Culvert and Roadway Replacement	1 Allowance	$53,000	40	39
Project 1B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	1 Allowance	$349,000	40	39
Project 2A: Design - Service Lines, Meter, Culvert and Roadway Replacement	1 Allowance	$91,800	40	39
Project 2B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	1 Allowance	$790,115	40	0
Project 3A: Design - Service Lines, Meter and Roadway Replacement	1 Allowance	$24,800	40	5
Project 3B: Construction - Service Lines, Meter and Roadway Replacement	1 Allowance	$124,000	40	6
Project 4A: Design - Service Lines, Meter and Roadway Replacement	1 Allowance	$62,600	40	0
Project 4B: Construction - Service Lines, Meter and Roadway Replacement	1 Allowance	$313,000	40	1
Project 5A: Design - Service Lines, Meter and Roadway Replacement	1 Allowance	$35,300	40	1
Project 5B: Construction - Service Lines, Meter and Roadway Replacement	1 Allowance	$176,000	40	2
Project 6A: Design - Service Lines, Meter and Roadway Replacement	1 Allowance	$94,300	40	1
Project 6B: Construction - Service Lines, Meter and Roadway Replacement	1 Allowance	$471,000	40	2
Project 7A: Design - Service Lines, Meter, Culvert and Roadway Replacement	1 Allowance	$45,400	40	2
Project 7B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	1 Allowance	$227,000	40	3
Project 8A: Design - Service Lines, Meter and Roadway Replacement	1 Allowance	$118,000	40	3
Project 8B: Construction - Service Lines, Meter and Roadway Replacement	1 Allowance	$590,000	40	4

Project 9A: Design - Service Lines, Meter and Roadway Replacement	1 Allowance	$56,700	40	4
Project 9B: Construction - Service Lines, Meter and Roadway Replacement	1 Allowance	$284,000	40	5
Reservoir #2 Ladder - Repaint	1 Each	$13,700	10	14
Reservoir Cathodic Protection 1	1 Each	$18,400	20	9
Reservoir Cathodic Protection 2	1 Allowance	$25,000	20	0
Roads - 10 year Engineering Plan - 50%	1 Allowance	$38,200	10	7
Sanitary Survey	1 Allowance	$7,280	5	0
Security, All Wells: Internet Firewall	1 Allowance	$3,892	10	9
Source Flow Meters - Replace	4 Each	$8,800	20	19
Storage Reservoirs - Dive Inspection	1 Allowance	$8,500	10	0
Storage Tank #1 - Coat Exterior	1 Each	$33,800	49	37
Storage Tank #1 - Coat Interior	1 Each	$132,000	49	37
Storage Tank #1 - Replace	1 Each	$816,000	80	27
Storage Tank #2 - Coat Exterior	1 Each	$81,600	49	37
Storage Tank #2 - Coat Interior	1 Each	$314,000	49	11
Storage Tank #2 - Replace	1 Each	$1,060,000	80	53
Telemetry System: Replace	1 Allowance	$23,900	30	29
Trailer, Water: Replace	1 Allowance	$7,280	10	1
WA DOH: Air Line Safety	1 Allowance	$25,222	10	9
Water Hammer Surge Tanks	1 Each	$16,300	50	49
Water System Plan - Update	1 Allowance	$39,700	6	2
Well # 1 - Replace	3 Allowance	$531,000	80	77
Well # 1 & 2, Control Systems: Replace	1 Allowance	$42,000	25	24
Well # 1, & #2 House, Electrical	1 Allowance	$5,500		23
Well # 1, 2, House	3 Buildings	$29,600	40	1
Well # 1, Pump / Motor - Replace	1 Each	$14,500	10	9
Well # 2 - Replace	1 Each	$177,000	80	77
Well # 2, Pump / Motor - Replace	1 Each	$20,700	10	9
Well # 4 - Replace / Future Decommission	Unfunded as directed by Association			
Well # 4, Control Systems: Replace	Unfunded as directed by Association			
Well # 4, House	Unfunded as directed by Association			
Well # 4, Pump / Motor - Replace	Unfunded as directed by Association			
Well # 5 - Install Final Cost	1 Allowance	$1,375,860	50	49
Well # 5 & #6, House	2 Buildings	$201,000	40	38
Well #5: ATEC Filtration Equipment	1 Allowance	$164,400	7	5
Well #5: Degasser Unit	1 Allowance	$63,300	7	5
Well #5: Gravel Driveway	1 Allowance	$3,500	10	8
Well #5: Mazzei Injector & Reactor	1 Allowance	$19,200	7	5
Well #5: Pump House Building, Electrical & Generator	1 Allowance	$183,600	15	13
Well #5: Pump House, Manifold Plumbing Parts	1 Allowance	$42,300	7	5
Well #5: Security Fence	1 Allowance	$28,400	15	13
	Total Current Costs	$10,724,169		
	Total Funded Components	67		

Components without a UL are one-time expenses, not expecting to reoccur at this time. It is important to note that actual costs may vary significantly based on scope of work, actual conditions, hidden deterioration, vendor selection, etc. This component list is for budget planning purposes only.

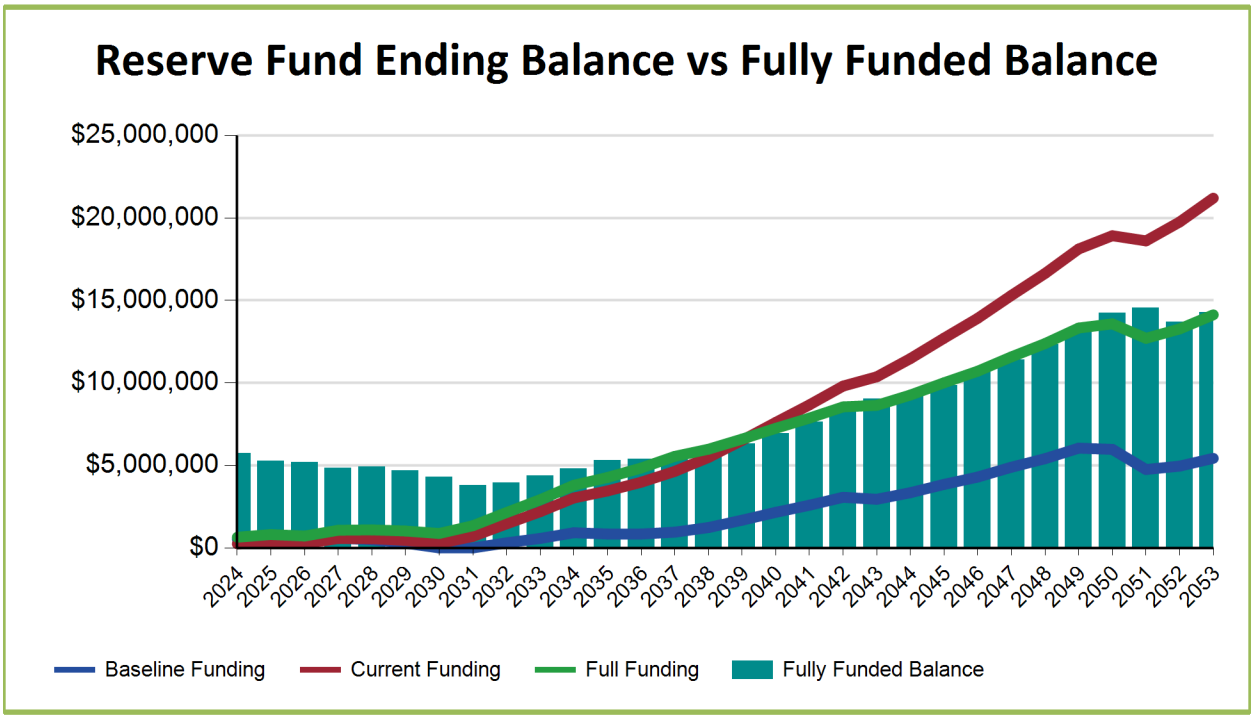
2. Financial Analysis

We have created the financial projections and recommendations based on the component list in Table One and a projected reserve fund balance $535,889. For your Association to be 100% funded there should be $5,734,823 in your reserve account(s). Therefore, your Association is projected to be 9.00% funded.

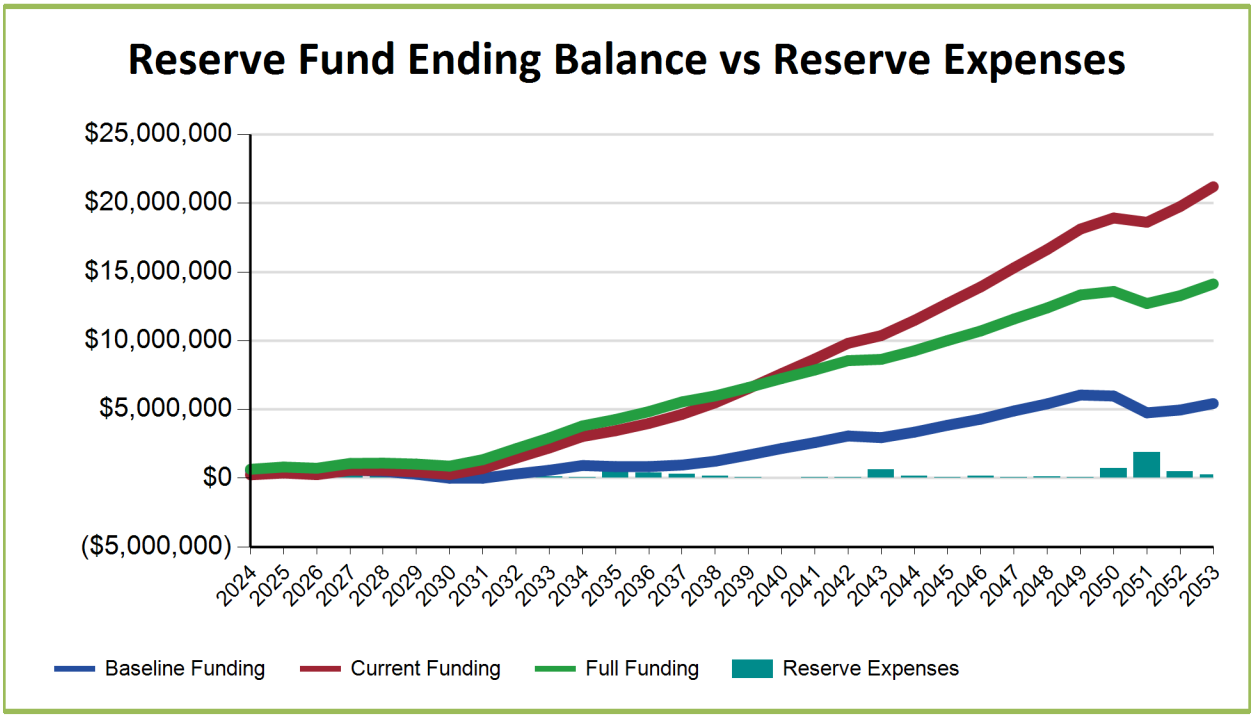
We recommend the Full Funding, which requires a monthly reserve contribution of $55,000 with a 3.00 % increase in contributions each year for the next 14 years.

Currently the Association has monthly reserve contributions of $52,791 and are projected to be sufficient over the next 30 years. The Baseline monthly reserve contribution requires $45,750, with a 3.00 % increase in contributions each year for the next 7 years. The baseline funding plan is the lowest contribution amount calculated to prevent the Reserve Fund from dropping below a zero balance.

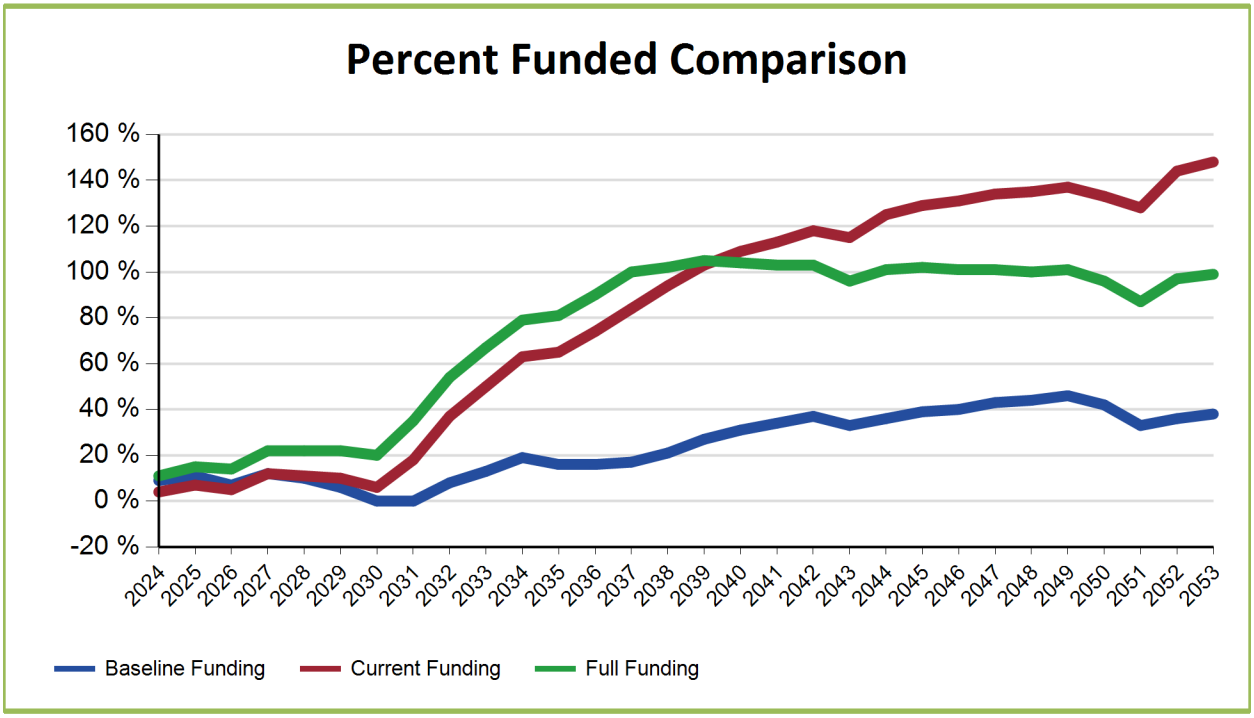
2.1 Figure 1 - Reserve Fund Ending Balance vs Fully Funded Balance



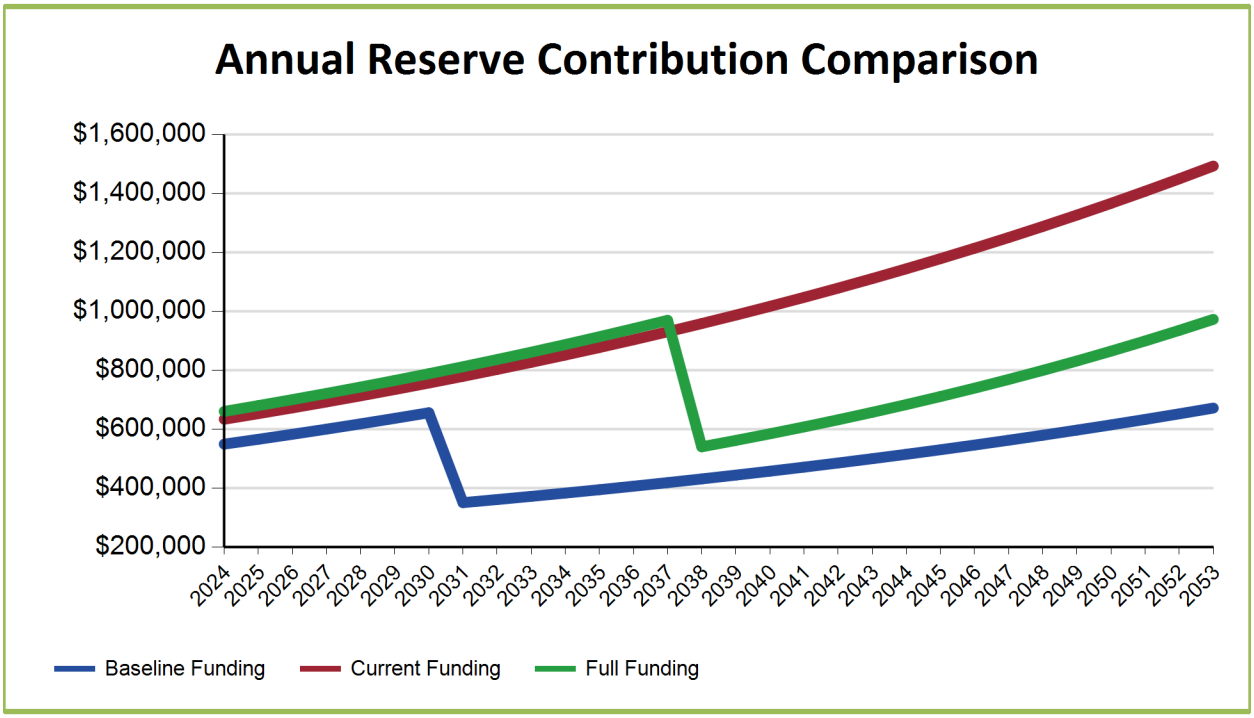
2.2 Figure 2 - Reserve Fund Ending Balance vs Reserve Expenses



2.3 Figure 3 - Percent Funded Comparison



2.4 Figure 4 – Reserve Contribution Comparison



2.5.1 - 30 Year Reserve Fund Projection (Current Funding)

Current Funding Plan

Year	Start Balance	Annual Reserve Contribution	Special Assessments	Additional Assessments Necessary Per Unit /Per Year	Interest Income	Reserve Expenses	Ending Balance	Fully Funded Balance	Ending Percent Funded
2024	$535,889	$633,492	$0		$0	$921,695	$247,686	$5,734,823	4.32 %
2025	$247,686	$652,497	$0		$524	$521,571	$379,136	$5,258,479	7.21 %
2026	$379,136	$672,072	$0		$0	$793,447	$257,761	$5,189,002	4.97 %
2027	$257,761	$692,234	$0		$2,269	$376,991	$575,273	$4,846,710	11.87 %
2028	$575,273	$713,001	$0		$2,039	$727,866	$562,447	$4,932,678	11.40 %
2029	$562,447	$734,391	$0		$887	$840,915	$456,810	$4,671,280	9.78 %
2030	$456,810	$756,423	$0		$0	$942,345	$270,888	$4,295,812	6.31 %
2031	$270,888	$779,115	$0		$3,097	$350,760	$702,340	$3,815,124	18.41 %
2032	$702,340	$802,489	$0		$10,489	$54,725	$1,460,593	$3,940,183	37.07 %
2033	$1,460,593	$826,563	$0		$17,660	$107,923	$2,196,893	$4,385,070	50.10 %
2034	$2,196,893	$851,360	$0		$25,801	$42,441	$3,031,613	$4,800,006	63.16 %
2035	$3,031,613	$876,901	$0		$29,881	$481,962	$3,456,433	$5,306,678	65.13 %
2036	$3,456,433	$903,208	$0		$34,957	$412,331	$3,982,267	$5,388,042	73.91 %
2037	$3,982,267	$930,304	$0		$41,361	$311,329	$4,642,603	$5,556,135	83.56 %
2038	$4,642,603	$958,213	$0		$49,588	$162,906	$5,487,498	$5,846,249	93.86 %
2039	$5,487,498	$986,960	$0		$59,696	$11,342	$6,522,812	$6,311,283	103.35 %
2040	$6,522,812	$1,016,569	$0		$70,311	$0	$7,609,692	$6,960,126	109.33 %
2041	$7,609,692	$1,047,066	$0		$80,701	$63,139	$8,674,320	$7,654,288	113.33 %
2042	$8,674,320	$1,078,478	$0		$91,807	$32,857	$9,811,748	$8,318,859	117.95 %
2043	$9,811,748	$1,110,832	$0		$97,202	$646,928	$10,372,854	$9,049,648	114.62 %
2044	$10,372,854	$1,144,157	$0		$107,996	$145,356	$11,479,651	$9,185,486	124.98 %
2045	$11,479,651	$1,178,482	$0		$120,053	$63,585	$12,714,601	$9,858,279	128.97 %
2046	$12,714,601	$1,213,836	$0		$131,809	$140,642	$13,919,604	$10,652,767	130.67 %
2047	$13,919,604	$1,250,251	$0		$145,339	$10,855	$15,304,339	$11,412,266	134.10 %
2048	$15,304,339	$1,287,759	$0		$158,350	$113,226	$16,637,222	$12,340,184	134.82 %
2049	$16,637,222	$1,326,392	$0		$172,852	$15,243	$18,121,223	$13,208,398	137.19 %
2050	$18,121,223	$1,366,183	$0		$180,609	$743,378	$18,924,637	$14,222,021	133.07 %
2051	$18,924,637	$1,407,169	$0		$177,308	$1,897,425	$18,611,689	$14,535,066	128.05 %
2052	$18,611,689	$1,449,384	$0		$188,433	$493,049	$19,756,457	$13,688,396	144.33 %
2053	$19,756,457	$1,492,865	$0		$202,516	$251,243	$21,200,595	$14,282,982	148.43 %

2.5.3 - 30 Year Reserve Fund Projection (Full Funding)

Full Funding Plan

Year	Start Balance	Annual Reserve Contribution	Special Assessments	Interest Income	Reserve Expenses	Ending Balance	Fully Funded Balance	Ending Percent Funded
2024	$535,889	$660,000	$376,000	$0	$921,695	$650,194	$5,734,823	11.34 %
2025	$650,194	$679,800	$0	$4,685	$521,571	$813,108	$5,258,479	15.46 %
2026	$813,108	$700,194	$0	$3,698	$793,447	$723,553	$5,189,002	13.94 %
2027	$723,553	$721,200	$0	$7,072	$376,991	$1,074,834	$4,846,710	22.18 %
2028	$1,074,834	$742,836	$0	$7,184	$727,866	$1,096,988	$4,932,678	22.24 %
2029	$1,096,988	$765,121	$0	$6,386	$840,915	$1,027,580	$4,671,280	22.00 %
2030	$1,027,580	$788,075	$0	$4,793	$942,345	$878,103	$4,295,812	20.44 %
2031	$878,103	$811,717	$0	$9,332	$350,760	$1,348,392	$3,815,124	35.34 %
2032	$1,348,392	$836,068	$0	$17,117	$54,725	$2,146,852	$3,940,183	54.49 %
2033	$2,146,852	$861,150	$0	$24,695	$107,923	$2,924,774	$4,385,070	66.70 %
2034	$2,924,774	$886,985	$0	$33,258	$42,441	$3,802,576	$4,800,006	79.22 %
2035	$3,802,576	$913,594	$0	$37,774	$481,962	$4,271,982	$5,306,678	80.50 %
2036	$4,271,982	$941,002	$0	$43,302	$412,331	$4,843,955	$5,388,042	89.90 %
2037	$4,843,955	$969,232	$0	$50,172	$311,329	$5,552,030	$5,556,135	99.93 %
2038	$5,552,030	$540,000	$0	$56,591	$162,906	$5,985,715	$5,846,249	102.39 %
2039	$5,985,715	$561,600	$0	$62,552	$11,342	$6,598,525	$6,311,283	104.55 %
2040	$6,598,525	$584,064	$0	$68,906	$0	$7,251,495	$6,960,126	104.19 %
2041	$7,251,495	$607,427	$0	$74,921	$63,139	$7,870,704	$7,654,288	102.83 %
2042	$7,870,704	$631,724	$0	$81,537	$32,857	$8,551,108	$8,318,859	102.79 %
2043	$8,551,108	$656,993	$0	$82,327	$646,928	$8,643,500	$9,049,648	95.51 %
2044	$8,643,500	$683,272	$0	$88,398	$145,356	$9,269,814	$9,185,486	100.92 %
2045	$9,269,814	$710,603	$0	$95,615	$63,585	$10,012,447	$9,858,279	101.56 %
2046	$10,012,447	$739,027	$0	$102,413	$140,642	$10,713,245	$10,652,767	100.57 %
2047	$10,713,245	$768,588	$0	$110,867	$10,855	$11,581,845	$11,412,266	101.49 %
2048	$11,581,845	$799,332	$0	$118,683	$113,226	$12,386,634	$12,340,184	100.38 %
2049	$12,386,634	$831,305	$0	$127,870	$15,243	$13,330,566	$13,208,398	100.92 %
2050	$13,330,566	$864,557	$0	$130,195	$743,378	$13,581,940	$14,222,021	95.50 %
2051	$13,581,940	$899,140	$0	$121,341	$1,897,425	$12,704,996	$14,535,066	87.41 %
2052	$12,704,996	$935,105	$0	$126,795	$493,049	$13,273,847	$13,688,396	96.97 %
2053	$13,273,847	$972,509	$0	$135,089	$251,243	$14,130,202	$14,282,982	98.93 %

2.5.2 - 30 Year Reserve Fund Projection (Baseline Funding)

Baseline Funding Plan

Year	Start Balance	Annual Reserve Contribution	Special Assessments	Interest Income	Reserve Expenses	Ending Balance	Fully Funded Balance	Ending Percent Funded
2024	$535,889	$549,000	$376,000	$0	$921,695	$539,194	$5,734,823	9.40 %
2025	$539,194	$565,470	$0	$3,004	$521,571	$586,097	$5,258,479	11.15 %
2026	$586,097	$582,434	$0	$839	$793,447	$375,923	$5,189,002	7.24 %
2027	$375,923	$599,907	$0	$2,989	$376,991	$601,828	$4,846,710	12.42 %
2028	$601,828	$617,904	$0	$1,829	$727,866	$493,695	$4,932,678	10.01 %
2029	$493,695	$636,441	$0	$0	$840,915	$289,221	$4,671,280	6.19 %
2030	$289,221	$655,535	$0	$0	$942,345	$2,411	$4,295,812	0.06 %
2031	$2,411	$350,400	$0	$0	$350,760	$2,051	$3,815,124	0.05 %
2032	$2,051	$360,912	$0	$1,278	$54,725	$309,516	$3,940,183	7.86 %
2033	$309,516	$371,739	$0	$3,875	$107,923	$577,207	$4,385,070	13.16 %
2034	$577,207	$382,892	$0	$7,262	$42,441	$924,920	$4,800,006	19.27 %
2035	$924,920	$394,378	$0	$6,401	$481,962	$843,737	$5,306,678	15.90 %
2036	$843,737	$406,210	$0	$6,345	$412,331	$843,961	$5,388,042	15.66 %
2037	$843,961	$418,396	$0	$7,418	$311,329	$958,446	$5,556,135	17.25 %
2038	$958,446	$430,948	$0	$10,110	$162,906	$1,236,598	$5,846,249	21.15 %
2039	$1,236,598	$443,876	$0	$14,472	$11,342	$1,683,604	$6,311,283	26.68 %
2040	$1,683,604	$457,193	$0	$19,122	$0	$2,159,919	$6,960,126	31.03 %
2041	$2,159,919	$470,908	$0	$23,322	$63,139	$2,591,010	$7,654,288	33.85 %
2042	$2,591,010	$485,036	$0	$28,007	$32,857	$3,071,196	$8,318,859	36.92 %
2043	$3,071,196	$499,587	$0	$26,741	$646,928	$2,950,596	$9,049,648	32.60 %
2044	$2,950,596	$514,574	$0	$30,625	$145,356	$3,350,439	$9,185,486	36.48 %
2045	$3,350,439	$530,011	$0	$35,519	$63,585	$3,852,384	$9,858,279	39.08 %
2046	$3,852,384	$545,912	$0	$39,847	$140,642	$4,297,501	$10,652,767	40.34 %
2047	$4,297,501	$562,289	$0	$45,678	$10,855	$4,894,613	$11,412,266	42.89 %
2048	$4,894,613	$579,158	$0	$50,710	$113,226	$5,411,255	$12,340,184	43.85 %
2049	$5,411,255	$596,533	$0	$56,943	$15,243	$6,049,488	$13,208,398	45.80 %
2050	$6,049,488	$614,429	$0	$56,133	$743,378	$5,976,672	$14,222,021	42.02 %
2051	$5,976,672	$632,861	$0	$43,957	$1,897,425	$4,756,065	$14,535,066	32.72 %
2052	$4,756,065	$651,847	$0	$45,889	$493,049	$4,960,752	$13,688,396	36.24 %
2053	$4,960,752	$671,403	$0	$50,452	$251,243	$5,431,364	$14,282,982	38.03 %

2.6 Funding Plan Cash Flow Projections

Full Funding Plan					
Year	2024	2025	2026	2027	2028
Percent Funded	11.34 %	15.46 %	13.94 %	22.18 %	22.24 %
Fully Funded Balance	$5,734,823	$5,258,479	$5,189,002	$4,846,710	$4,932,678
Beginning Balance	$535,889	$650,194	$813,108	$723,553	$1,074,834
Annual Contributions	$660,000	$679,800	$700,194	$721,200	$742,836
Interest Earnings	$0	$4,685	$3,698	$7,072	$7,184
Special Assessment	$376,000	$0	$0	$0	$0
Reserve Expenses	$921,695	$521,571	$793,447	$376,991	$727,866
Ending Balance	$650,194	$813,108	$723,553	$1,074,834	$1,096,988

Expenses by Component & Year					
Components	2024	2025	2026	2027	2028
Caustic Systems: Repair/Replace	$28,200	$0	$0	$0	$0
Fence, Reservoir: Replace	$0	$0	$0	$0	$0
Fence, Well Site: Replace	$0	$0	$0	$0	$0
Generator & Controls, Well #1 & 2: Replace	$0	$0	$0	$0	$0
Generator, Well #4: Replace	$0	$0	$0	$0	$0
Hydrant - Near Maintenance Bldg	$0	$0	$0	$0	$0
Leak Detection	$0	$0	$16,762	$0	$0
Maintenance Eqpt, Truck, Toyota Tacoma, 2008	$0	$27,707	$0	$0	$0
Project 10A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 10B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 11A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 11B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 12A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 12B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 1A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 1B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$790,115	$0	$0	$0	$0
Project 3A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 3B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 4A: Design - Service Lines, Meter and Roadway Replacement	$62,600	$0	$0	$0	$0

Project 4B: Construction - Service Lines, Meter and Roadway Replacement	$0	$322,390	$0	$0	$0
Project 5A: Design - Service Lines, Meter and Roadway Replacement	$0	$36,359	$0	$0	$0
Project 5B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$186,718	$0	$0
Project 6A: Design - Service Lines, Meter and Roadway Replacement	$0	$97,129	$0	$0	$0
Project 6B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$499,684	$0	$0
Project 7A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$48,165	$0	$0
Project 7B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$248,049	$0
Project 8A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$128,942	$0
Project 8B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$664,050
Project 9A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$63,816
Project 9B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Reservoir #2 Ladder - Repaint	$0	$0	$0	$0	$0
Reservoir Cathodic Protection 1	$0	$0	$0	$0	$0
Reservoir Cathodic Protection 2	$25,000	$0	$0	$0	$0
Roads - 10 year Engineering Plan - 50%	$0	$0	$0	$0	$0
Sanitary Survey	$7,280	$0	$0	$0	$0
Security, All Wells: Internet Firewall	$0	$0	$0	$0	$0
Source Flow Meters - Replace	$0	$0	$0	$0	$0
Storage Reservoirs - Dive Inspection	$8,500	$0	$0	$0	$0
Storage Tank #1 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #1 - Coat Interior	$0	$0	$0	$0	$0
Storage Tank #1 - Replace	$0	$0	$0	$0	$0
Storage Tank #2 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #2 - Coat Interior	$0	$0	$0	$0	$0
Storage Tank #2 - Replace	$0	$0	$0	$0	$0
Telemetry System: Replace	$0	$0	$0	$0	$0
Trailer, Water: Replace	$0	$7,498	$0	$0	$0
WA DOH: Air Line Safety	$0	$0	$0	$0	$0
Water Hammer Surge Tanks	$0	$0	$0	$0	$0
Water System Plan - Update	$0	$0	$42,118	$0	$0
Well # 1 - Replace	$0	$0	$0	$0	$0
Well # 1 & 2, Control Systems: Replace	$0	$0	$0	$0	$0
Well # 1, & #2 House, Electrical	$0	$0	$0	$0	$0
Well # 1, 2, House	$0	$30,488	$0	$0	$0
Well # 1, Pump / Motor - Replace	$0	$0	$0	$0	$0
Well # 2 - Replace	$0	$0	$0	$0	$0
Well # 2, Pump / Motor - Replace	$0	$0	$0	$0	$0

Well # 5 - Install Final Cost	$0	$0	$0	$0	$0
Well # 5 & #6, House	$0	$0	$0	$0	$0
Well #5: ATEC Filtration Equipment	$0	$0	$0	$0	$0
Well #5: Degasser Unit	$0	$0	$0	$0	$0
Well #5: Gravel Driveway	$0	$0	$0	$0	$0
Well #5: Mazzei Injector & Reactor	$0	$0	$0	$0	$0
Well #5: Pump House Building, Electrical & Generator	$0	$0	$0	$0	$0
Well #5: Pump House, Manifold Plumbing Parts	$0	$0	$0	$0	$0
Well #5: Security Fence	$0	$0	$0	$0	$0

Full Funding Plan					
Year	2029	2030	2031	2032	2033
Percent Funded	22.00 %	20.44 %	35.34 %	54.49 %	66.70 %
Fully Funded Balance	$4,671,280	$4,295,812	$3,815,124	$3,940,183	$4,385,070
Beginning Balance	$1,096,988	$1,027,580	$878,103	$1,348,392	$2,146,852
Annual Contributions	$765,121	$788,075	$811,717	$836,068	$861,150
Interest Earnings	$6,386	$4,793	$9,332	$17,117	$24,695
Special Assessment	$0	$0	$0	$0	$0
Reserve Expenses	$840,915	$942,345	$350,760	$54,725	$107,923
Ending Balance	$1,027,580	$878,103	$1,348,392	$2,146,852	$2,924,774

Expenses by Component & Year					
Components	2029	2030	2031	2032	2033
Caustic Systems: Repair/Replace	$0	$0	$0	$0	$0
Fence, Reservoir: Replace	$0	$0	$0	$0	$0
Fence, Well Site: Replace	$0	$0	$0	$0	$0
Generator & Controls, Well #1 & 2: Replace	$0	$0	$0	$0	$0
Generator, Well #4: Replace	$0	$0	$0	$0	$0
Hydrant - Near Maintenance Bldg	$0	$0	$0	$0	$0
Leak Detection	$0	$18,866	$0	$0	$0
Maintenance Eqpt, Truck, Toyota Tacoma, 2008	$0	$0	$0	$0	$0
Project 10A: Design - Service Lines, Meter and Roadway Replacement	$50,660	$0	$0	$0	$0
Project 10B: Construction - Service Lines, Meter and Roadway Replacement	$0	$260,303	$0	$0	$0
Project 11A: Design - Service Lines, Meter and Roadway Replacement	$88,569	$0	$0	$0	$0
Project 11B: Construction - Service Lines, Meter and Roadway Replacement	$0	$456,128	$0	$0	$0
Project 12A: Design - Service Lines, Meter and Roadway Replacement	$0	$58,986	$0	$0	$0
Project 12B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$303,779	$0	$0
Project 1A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 1B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 3A: Design - Service Lines, Meter and Roadway Replacement	$28,750	$0	$0	$0	$0
Project 3B: Construction - Service Lines, Meter and Roadway Replacement	$0	$148,062	$0	$0	$0
Project 4A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 4B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0

Project 5A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 5B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 6A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 6B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 7A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 7B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 8A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 8B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 9A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 9B: Construction - Service Lines, Meter and Roadway Replacement	$329,234	$0	$0	$0	$0
Reservoir #2 Ladder - Repaint	$0	$0	$0	$0	$0
Reservoir Cathodic Protection 1	$0	$0	$0	$0	$24,008
Reservoir Cathodic Protection 2	$0	$0	$0	$0	$0
Roads - 10 year Engineering Plan - 50%	$0	$0	$46,981	$0	$0
Sanitary Survey	$8,440	$0	$0	$0	$0
Security, All Wells: Internet Firewall	$0	$0	$0	$0	$5,078
Source Flow Meters - Replace	$0	$0	$0	$0	$0
Storage Reservoirs - Dive Inspection	$0	$0	$0	$0	$0
Storage Tank #1 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #1 - Coat Interior	$0	$0	$0	$0	$0
Storage Tank #1 - Replace	$0	$0	$0	$0	$0
Storage Tank #2 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #2 - Coat Interior	$0	$0	$0	$0	$0
Storage Tank #2 - Replace	$0	$0	$0	$0	$0
Telemetry System: Replace	$0	$0	$0	$0	$0
Trailer, Water: Replace	$0	$0	$0	$0	$0
WA DOH: Air Line Safety	$0	$0	$0	$0	$32,909
Water Hammer Surge Tanks	$0	$0	$0	$0	$0
Water System Plan - Update	$0	$0	$0	$50,291	$0
Well # 1 - Replace	$0	$0	$0	$0	$0
Well # 1 & 2, Control Systems: Replace	$0	$0	$0	$0	$0
Well # 1, & #2 House, Electrical	$0	$0	$0	$0	$0
Well # 1, 2, House	$0	$0	$0	$0	$0
Well # 1, Pump / Motor - Replace	$0	$0	$0	$0	$18,919
Well # 2 - Replace	$0	$0	$0	$0	$0
Well # 2, Pump / Motor - Replace	$0	$0	$0	$0	$27,009
Well # 5 - Install Final Cost	$0	$0	$0	$0	$0
Well # 5 & #6, House	$0	$0	$0	$0	$0

Well #5: ATEC Filtration Equipment	$190,585	$0	$0	$0	$0
Well #5: Degasser Unit	$73,382	$0	$0	$0	$0
Well #5: Gravel Driveway	$0	$0	$0	$4,434	$0
Well #5: Mazzei Injector & Reactor	$22,258	$0	$0	$0	$0
Well #5: Pump House Building, Electrical & Generator	$0	$0	$0	$0	$0
Well #5: Pump House, Manifold Plumbing Parts	$49,037	$0	$0	$0	$0
Well #5: Security Fence	$0	$0	$0	$0	$0

Full Funding Plan					
Year	2034	2035	2036	2037	2038
Percent Funded	79.22 %	80.50 %	89.90 %	99.93 %	102.39 %
Fully Funded Balance	$4,800,006	$5,306,678	$5,388,042	$5,556,135	$5,846,249
Beginning Balance	$2,924,774	$3,802,576	$4,271,982	$4,843,955	$5,552,030
Annual Contributions	$886,985	$913,594	$941,002	$969,232	$540,000
Interest Earnings	$33,258	$37,774	$43,302	$50,172	$56,591
Special Assessment	$0	$0	$0	$0	$0
Reserve Expenses	$42,441	$481,962	$412,331	$311,329	$162,906
Ending Balance	$3,802,576	$4,271,982	$4,843,955	$5,552,030	$5,985,715

Expenses by Component & Year					
Components	2034	2035	2036	2037	2038
Caustic Systems: Repair/Replace	$0	$0	$0	$0	$0
Fence, Reservoir: Replace	$0	$0	$0	$0	$23,899
Fence, Well Site: Replace	$0	$0	$0	$0	$34,336
Generator & Controls, Well #1 & 2: Replace	$0	$0	$0	$0	$0
Generator, Well #4: Replace	$0	$0	$0	$0	$0
Hydrant - Near Maintenance Bldg	$0	$0	$0	$0	$0
Leak Detection	$21,234	$0	$0	$0	$23,899
Maintenance Eqpt, Truck, Toyota Tacoma, 2008	$0	$37,236	$0	$0	$0
Project 10A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 10B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 11A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 11B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 12A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 12B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 1A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 1B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 3A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 3B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 4A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 4B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0

Project 5A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 5B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 6A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 6B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 7A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 7B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 8A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 8B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 9A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 9B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Reservoir #2 Ladder - Repaint	$0	$0	$0	$0	$20,722
Reservoir Cathodic Protection 1	$0	$0	$0	$0	$0
Reservoir Cathodic Protection 2	$0	$0	$0	$0	$0
Roads - 10 year Engineering Plan - 50%	$0	$0	$0	$0	$0
Sanitary Survey	$9,784	$0	$0	$0	$0
Security, All Wells: Internet Firewall	$0	$0	$0	$0	$0
Source Flow Meters - Replace	$0	$0	$0	$0	$0
Storage Reservoirs - Dive Inspection	$11,423	$0	$0	$0	$0
Storage Tank #1 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #1 - Coat Interior	$0	$0	$0	$0	$0
Storage Tank #1 - Replace	$0	$0	$0	$0	$0
Storage Tank #2 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #2 - Coat Interior	$0	$434,649	$0	$0	$0
Storage Tank #2 - Replace	$0	$0	$0	$0	$0
Telemetry System: Replace	$0	$0	$0	$0	$0
Trailer, Water: Replace	$0	$10,077	$0	$0	$0
WA DOH: Air Line Safety	$0	$0	$0	$0	$0
Water Hammer Surge Tanks	$0	$0	$0	$0	$0
Water System Plan - Update	$0	$0	$0	$0	$60,050
Well # 1 - Replace	$0	$0	$0	$0	$0
Well # 1 & 2, Control Systems: Replace	$0	$0	$0	$0	$0
Well # 1, & #2 House, Electrical	$0	$0	$0	$0	$0
Well # 1, 2, House	$0	$0	$0	$0	$0
Well # 1, Pump / Motor - Replace	$0	$0	$0	$0	$0
Well # 2 - Replace	$0	$0	$0	$0	$0
Well # 2, Pump / Motor - Replace	$0	$0	$0	$0	$0
Well # 5 - Install Final Cost	$0	$0	$0	$0	$0
Well # 5 & #6, House	$0	$0	$0	$0	$0

Well #5: ATEC Filtration Equipment	$0	$0	$234,395	$0	$0
Well #5: Degasser Unit	$0	$0	$90,251	$0	$0
Well #5: Gravel Driveway	$0	$0	$0	$0	$0
Well #5: Mazzei Injector & Reactor	$0	$0	$27,375	$0	$0
Well #5: Pump House Building, Electrical & Generator	$0	$0	$0	$269,623	$0
Well #5: Pump House, Manifold Plumbing Parts	$0	$0	$60,310	$0	$0
Well #5: Security Fence	$0	$0	$0	$41,706	$0

Full Funding Plan					
Year	2039	2040	2041	2042	2043
Percent Funded	104.55 %	104.19 %	102.83 %	102.79 %	95.51 %
Fully Funded Balance	$6,311,283	$6,960,126	$7,654,288	$8,318,859	$9,049,648
Beginning Balance	$5,985,715	$6,598,525	$7,251,495	$7,870,704	$8,551,108
Annual Contributions	$561,600	$584,064	$607,427	$631,724	$656,993
Interest Earnings	$62,552	$68,906	$74,921	$81,537	$82,327
Special Assessment	$0	$0	$0	$0	$0
Reserve Expenses	$11,342	$0	$63,139	$32,857	$646,928
Ending Balance	$6,598,525	$7,251,495	$7,870,704	$8,551,108	$8,643,500

Expenses by Component & Year					
Components	2039	2040	2041	2042	2043
Caustic Systems: Repair/Replace	$0	$0	$0	$0	$0
Fence, Reservoir: Replace	$0	$0	$0	$0	$0
Fence, Well Site: Replace	$0	$0	$0	$0	$0
Generator & Controls, Well #1 & 2: Replace	$0	$0	$0	$0	$0
Generator, Well #4: Replace	$0	$0	$0	$0	$0
Hydrant - Near Maintenance Bldg	$0	$0	$0	$0	$11,608
Leak Detection	$0	$0	$0	$26,898	$0
Maintenance Eqpt, Truck, Toyota Tacoma, 2008	$0	$0	$0	$0	$0
Project 10A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 10B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 11A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 11B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 12A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 12B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 1A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 1B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 3A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 3B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 4A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 4B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0

Project 5A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 5B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 6A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 6B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 7A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 7B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 8A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 8B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 9A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 9B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Reservoir #2 Ladder - Repaint	$0	$0	$0	$0	$0
Reservoir Cathodic Protection 1	$0	$0	$0	$0	$0
Reservoir Cathodic Protection 2	$0	$0	$0	$0	$0
Roads - 10 year Engineering Plan - 50%	$0	$0	$63,139	$0	$0
Sanitary Survey	$11,342	$0	$0	$0	$0
Security, All Wells: Internet Firewall	$0	$0	$0	$0	$6,825
Source Flow Meters - Replace	$0	$0	$0	$0	$15,431
Storage Reservoirs - Dive Inspection	$0	$0	$0	$0	$0
Storage Tank #1 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #1 - Coat Interior	$0	$0	$0	$0	$0
Storage Tank #1 - Replace	$0	$0	$0	$0	$0
Storage Tank #2 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #2 - Coat Interior	$0	$0	$0	$0	$0
Storage Tank #2 - Replace	$0	$0	$0	$0	$0
Telemetry System: Replace	$0	$0	$0	$0	$0
Trailer, Water: Replace	$0	$0	$0	$0	$0
WA DOH: Air Line Safety	$0	$0	$0	$0	$44,227
Water Hammer Surge Tanks	$0	$0	$0	$0	$0
Water System Plan - Update	$0	$0	$0	$0	$0
Well # 1 - Replace	$0	$0	$0	$0	$0
Well # 1 & 2, Control Systems: Replace	$0	$0	$0	$0	$0
Well # 1, & #2 House, Electrical	$0	$0	$0	$0	$0
Well # 1, 2, House	$0	$0	$0	$0	$0
Well # 1, Pump / Motor - Replace	$0	$0	$0	$0	$25,426
Well # 2 - Replace	$0	$0	$0	$0	$0
Well # 2, Pump / Motor - Replace	$0	$0	$0	$0	$36,298
Well # 5 - Install Final Cost	$0	$0	$0	$0	$0
Well # 5 & #6, House	$0	$0	$0	$0	$0

Well #5: ATEC Filtration Equipment	$0	$0	$0	$0	$288,276
Well #5: Degasser Unit	$0	$0	$0	$0	$110,997
Well #5: Gravel Driveway	$0	$0	$0	$5,959	$0
Well #5: Mazzei Injector & Reactor	$0	$0	$0	$0	$33,667
Well #5: Pump House Building, Electrical & Generator	$0	$0	$0	$0	$0
Well #5: Pump House, Manifold Plumbing Parts	$0	$0	$0	$0	$74,173
Well #5: Security Fence	$0	$0	$0	$0	$0

Full Funding Plan					
Year	2044	2045	2046	2047	2048
Percent Funded	100.92 %	101.56 %	100.57 %	101.49 %	100.38 %
Fully Funded Balance	$9,185,486	$9,858,279	$10,652,767	$11,412,266	$12,340,184
Beginning Balance	$8,643,500	$9,269,814	$10,012,447	$10,713,245	$11,581,845
Annual Contributions	$683,272	$710,603	$739,027	$768,588	$799,332
Interest Earnings	$88,398	$95,615	$102,413	$110,867	$118,683
Special Assessment	$0	$0	$0	$0	$0
Reserve Expenses	$145,356	$63,585	$140,642	$10,855	$113,226
Ending Balance	$9,269,814	$10,012,447	$10,713,245	$11,581,845	$12,386,634

Expenses by Component & Year					
Components	2044	2045	2046	2047	2048
Caustic Systems: Repair/Replace	$0	$0	$0	$0	$0
Fence, Reservoir: Replace	$0	$0	$0	$0	$0
Fence, Well Site: Replace	$0	$0	$0	$0	$0
Generator & Controls, Well #1 & 2: Replace	$0	$0	$0	$0	$0
Generator, Well #4: Replace	$0	$0	$110,368	$0	$0
Hydrant - Near Maintenance Bldg	$0	$0	$0	$0	$0
Leak Detection	$0	$0	$30,274	$0	$0
Maintenance Eqpt, Truck, Toyota Tacoma, 2008	$0	$50,042	$0	$0	$0
Project 10A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 10B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 11A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 11B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 12A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 12B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 1A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 1B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 3A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 3B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 4A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 4B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0

Project 5A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 5B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 6A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 6B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 7A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 7B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 8A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 8B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 9A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 9B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Reservoir #2 Ladder - Repaint	$0	$0	$0	$0	$27,849
Reservoir Cathodic Protection 1	$0	$0	$0	$0	$0
Reservoir Cathodic Protection 2	$45,153	$0	$0	$0	$0
Roads - 10 year Engineering Plan - 50%	$0	$0	$0	$0	$0
Sanitary Survey	$13,148	$0	$0	$0	$0
Security, All Wells: Internet Firewall	$0	$0	$0	$0	$0
Source Flow Meters - Replace	$0	$0	$0	$0	$0
Storage Reservoirs - Dive Inspection	$15,352	$0	$0	$0	$0
Storage Tank #1 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #1 - Coat Interior	$0	$0	$0	$0	$0
Storage Tank #1 - Replace	$0	$0	$0	$0	$0
Storage Tank #2 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #2 - Coat Interior	$0	$0	$0	$0	$0
Storage Tank #2 - Replace	$0	$0	$0	$0	$0
Telemetry System: Replace	$0	$0	$0	$0	$0
Trailer, Water: Replace	$0	$13,543	$0	$0	$0
WA DOH: Air Line Safety	$0	$0	$0	$0	$0
Water Hammer Surge Tanks	$0	$0	$0	$0	$0
Water System Plan - Update	$71,703	$0	$0	$0	$0
Well # 1 - Replace	$0	$0	$0	$0	$0
Well # 1 & 2, Control Systems: Replace	$0	$0	$0	$0	$85,377
Well # 1, & #2 House, Electrical	$0	$0	$0	$10,855	$0
Well # 1, 2, House	$0	$0	$0	$0	$0
Well # 1, Pump / Motor - Replace	$0	$0	$0	$0	$0
Well # 2 - Replace	$0	$0	$0	$0	$0
Well # 2, Pump / Motor - Replace	$0	$0	$0	$0	$0
Well # 5 - Install Final Cost	$0	$0	$0	$0	$0
Well # 5 & #6, House	$0	$0	$0	$0	$0

Well #5: ATEC Filtration Equipment	$0	$0	$0	$0	$0
Well #5: Degasser Unit	$0	$0	$0	$0	$0
Well #5: Gravel Driveway	$0	$0	$0	$0	$0
Well #5: Mazzei Injector & Reactor	$0	$0	$0	$0	$0
Well #5: Pump House Building, Electrical & Generator	$0	$0	$0	$0	$0
Well #5: Pump House, Manifold Plumbing Parts	$0	$0	$0	$0	$0
Well #5: Security Fence	$0	$0	$0	$0	$0

Full Funding Plan					
Year	2049	2050	2051	2052	2053
Percent Funded	100.92	95.50	87.41	96.97	98.93
Fully Funded Balance	$13,208,398	$14,222,021	$14,535,066	$13,688,396	$14,282,982
Beginning Balance	$12,386,634	$13,330,566	$13,581,940	$12,704,996	$13,273,847
Annual Contributions	$831,305	$864,557	$899,140	$935,105	$972,509
Interest Earnings	$127,870	$130,195	$121,341	$126,795	$135,089
Special Assessment	$0	$0	$0	$0	$0
Reserve Expenses	$15,243	$743,378	$1,897,425	$493,049	$251,243
Ending Balance	$13,330,566	$13,581,940	$12,704,996	$13,273,847	$14,130,202

Expenses by Component & Year					
Components	2049	2050	2051	2052	2053
Caustic Systems: Repair/Replace	$0	$0	$0	$0	$0
Fence, Reservoir: Replace	$0	$0	$0	$0	$0
Fence, Well Site: Replace	$0	$0	$0	$0	$0
Generator & Controls, Well #1 & 2: Replace	$0	$0	$0	$0	$0
Generator, Well #4: Replace	$0	$0	$0	$0	$0
Hydrant - Near Maintenance Bldg	$0	$0	$0	$0	$0
Leak Detection	$0	$34,074	$0	$0	$0
Maintenance Eqpt, Truck, Toyota Tacoma, 2008	$0	$0	$0	$0	$0
Project 10A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 10B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 11A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 11B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 12A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 12B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 1A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 1B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 2B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 3A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 3B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 4A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 4B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0

Project 5A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 5B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 6A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 6B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 7A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 7B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$0	$0	$0	$0	$0
Project 8A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 8B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 9A: Design - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Project 9B: Construction - Service Lines, Meter and Roadway Replacement	$0	$0	$0	$0	$0
Reservoir #2 Ladder - Repaint	$0	$0	$0	$0	$0
Reservoir Cathodic Protection 1	$0	$0	$0	$0	$43,361
Reservoir Cathodic Protection 2	$0	$0	$0	$0	$0
Roads - 10 year Engineering Plan - 50%	$0	$0	$84,853	$0	$0
Sanitary Survey	$15,243	$0	$0	$0	$0
Security, All Wells: Internet Firewall	$0	$0	$0	$0	$9,172
Source Flow Meters - Replace	$0	$0	$0	$0	$0
Storage Reservoirs - Dive Inspection	$0	$0	$0	$0	$0
Storage Tank #1 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #1 - Coat Interior	$0	$0	$0	$0	$0
Storage Tank #1 - Replace	$0	$0	$1,812,572	$0	$0
Storage Tank #2 - Coat Exterior	$0	$0	$0	$0	$0
Storage Tank #2 - Coat Interior	$0	$0	$0	$0	$0
Storage Tank #2 - Replace	$0	$0	$0	$0	$0
Telemetry System: Replace	$0	$0	$0	$0	$56,322
Trailer, Water: Replace	$0	$0	$0	$0	$0
WA DOH: Air Line Safety	$0	$0	$0	$0	$59,437
Water Hammer Surge Tanks	$0	$0	$0	$0	$0
Water System Plan - Update	$0	$85,617	$0	$0	$0
Well # 1 - Replace	$0	$0	$0	$0	$0
Well # 1 & 2, Control Systems: Replace	$0	$0	$0	$0	$0
Well # 1, & #2 House, Electrical	$0	$0	$0	$0	$0
Well # 1, 2, House	$0	$0	$0	$0	$0
Well # 1, Pump / Motor - Replace	$0	$0	$0	$0	$34,170
Well # 2 - Replace	$0	$0	$0	$0	$0
Well # 2, Pump / Motor - Replace	$0	$0	$0	$0	$48,781
Well # 5 - Install Final Cost	$0	$0	$0	$0	$0
Well # 5 & #6, House	$0	$0	$0	$0	$0

Well #5: ATEC Filtration Equipment	$0	$354,544	$0	$0	$0
Well #5: Degasser Unit	$0	$136,512	$0	$0	$0
Well #5: Gravel Driveway	$0	$0	$0	$8,008	$0
Well #5: Mazzei Injector & Reactor	$0	$41,407	$0	$0	$0
Well #5: Pump House Building, Electrical & Generator	$0	$0	$0	$420,064	$0
Well #5: Pump House, Manifold Plumbing Parts	$0	$91,224	$0	$0	$0
Well #5: Security Fence	$0	$0	$0	$64,977	$0

3. Physical Analysis

We completed a site visit as part of this reserve study on . Table 2 below shows all the components considered for funding and explains the basis of the funding decision.

3.1 Table 2: Component Funding Basis

Component	Condition	Funding Basis
Caustic Systems: Repair/Replace		Funded based on prior reserve study
Cla-Val Valves: Repair/Replace		Unfunded as directed by Association
Fence, Reservoir: Replace		Funded based on the typical life expectancy
Fence, Well Site: Replace	Good	Funded based on the typical life expectancy
Generator & Controls, Well #1 & 2: Replace		Funded based on prior reserve study
Generator, Well #4: Replace		Funded based on prior reserve study
Hydrant - Near Maintenance Bldg		Funded based on prior reserve study
Leak Detection	Unknown	Funded based on prior reserve study
Maintenance Eqpt, Truck, Toyota Tacoma, 2008		Funded based on Association direction
Project 10A: Design - Service Lines, Meter and Roadway Replacement	Not Applicable	Funded based on Association direction
Project 10B: Construction - Service Lines, Meter and Roadway Replacement	Assorted Condition	Funded based on Association direction
Project 11A: Design - Service Lines, Meter and Roadway Replacement	Not Applicable	Funded based on Association direction
Project 11B: Construction - Service Lines, Meter and Roadway Replacement	Not Applicable	Funded based on Association direction
Project 12A: Design - Service Lines, Meter and Roadway Replacement	Not Applicable	Funded based on Association records
Project 12B: Construction - Service Lines, Meter and Roadway Replacement	Not Applicable	Funded based on Association direction
Project 1A: Design - Service Lines, Meter, Culvert and Roadway Replacement	Not Applicable	Funded based on Association records
Project 1B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	Not Applicable	Funded based on Association records
Project 2A: Design - Service Lines, Meter, Culvert and Roadway Replacement	Not Applicable	Funded based on prior reserve study
Project 2B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	Assorted Condition	Funded based on Association records
Project 3A: Design - Service Lines, Meter and Roadway Replacement	Not Applicable	Funded based on Association records
Project 3B: Construction - Service Lines, Meter and Roadway Replacement	Assorted Condition	Funded based on Association records
Project 4A: Design - Service Lines, Meter and Roadway Replacement		Funded based on Association records
Project 4B: Construction - Service Lines, Meter and Roadway Replacement	Assorted Condition	Funded based on Association records
Project 5A: Design - Service Lines, Meter and Roadway Replacement	Not Applicable	Funded based on Association records
Project 5B: Construction - Service Lines, Meter and Roadway Replacement	Assorted Condition	Funded based on Association records
Project 6A: Design - Service Lines, Meter and Roadway Replacement	Not Applicable	Funded based on Association records

Project 6B: Construction - Service Lines, Meter and Roadway Replacement	Assorted Condition	Funded based on Association records
Project 7A: Design - Service Lines, Meter, Culvert and Roadway Replacement	Not Applicable	Funded based on Association records
Project 7B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	Assorted Condition	Funded based on Association records
Project 8A: Design - Service Lines, Meter and Roadway Replacement	Not Applicable	Funded based on Association direction
Project 8B: Construction - Service Lines, Meter and Roadway Replacement	Assorted Condition	Funded based on Association records
Project 9A: Design - Service Lines, Meter and Roadway Replacement	Not Applicable	Funded based on Association direction
Project 9B: Construction - Service Lines, Meter and Roadway Replacement	Assorted Condition	Funded based on Association direction
Reservoir #2 Ladder - Repaint		Funded based on prior reserve study
Reservoir Cathodic Protection 1		Funded based on prior reserve study
Reservoir Cathodic Protection 2		Funded based on prior reserve study
Roads - 10 year Engineering Plan - 50%	Not Applicable	Funded based on Association direction
Sanitary Survey	Not Applicable	Funded based on prior reserve study
Security, All Wells: Internet Firewall		Funded based on Association records
Source Flow Meters - Replace		Funded based on prior reserve study
Storage Reservoirs - Dive Inspection	Not Applicable	Funded based on prior reserve study
Storage Tank #1 - Coat Exterior		Funded based on prior reserve study
Storage Tank #1 - Coat Interior		Funded based on prior reserve study
Storage Tank #1 - Replace	Unknown	Funded based on prior reserve study
Storage Tank #2 - Coat Exterior		Funded based on Association direction
Storage Tank #2 - Coat Interior		Funded based on prior reserve study
Storage Tank #2 - Replace		Funded based on prior reserve study
Telemetry System: Replace		Funded based on prior reserve study
Trailer, Water: Replace		Funded based on prior reserve study
WA DOH: Air Line Safety		Funded based on Association records
Water Hammer Surge Tanks	Functional	Funded based on Association direction
Water System Plan - Update	Not Applicable	Funded based on Association records
Well # 1 - Replace	Functional	Funded based on Association direction
Well # 1 & 2, Control Systems: Replace		Funded based on prior reserve study
Well # 1, & #2 House, Electrical	Unknown	Funded based on Association direction
Well # 1, 2, House		Funded based on prior reserve study
Well # 1, Pump / Motor - Replace	Good	Funded based on prior reserve study
Well # 2 - Replace	Good	Funded based on Association direction
Well # 2, Pump / Motor - Replace	Good	Funded based on prior reserve study
Well # 4 - Replace / Future Decommission	Functional	Unfunded as directed by Association
Well # 4, Control Systems: Replace		Unfunded as directed by Association
Well # 4, House		Unfunded as directed by Association
Well # 4, Pump / Motor - Replace	Good	Unfunded as directed by Association
Well # 5 - Install Final Cost	Unknown	Funded based on prior reserve study
Well # 5 & #6, House		Funded based on prior reserve study
Well #5: ATEC Filtration Equipment		Funded based on Association records

Well #5: Degasser Unit	Funded based on Association records
Well #5: Gravel Driveway	Funded based on Association records
Well #5: Mazzei Injector & Reactor	Funded based on Association records
Well #5: Pump House Building, Electrical & Generator	Funded based on Association records
Well #5: Pump House, Manifold Plumbing Parts	Funded based on Association records
Well #5: Security Fence	Funded based on Association records

3.2 Table 3: Component Metrics

Component	FFB	% FFB	Annual Cost	% Annual Cost
Caustic Systems: Repair/Replace	$28,200	0.49%	$940	0.32%
Fence, Reservoir: Replace	$10,270	0.18%	$395	0.13%
Fence, Well Site: Replace	$14,755	0.26%	$568	0.19%
Generator & Controls, Well #1 & 2: Replace	$10,520	0.18%	$1,052	0.36%
Generator, Well #4: Replace	$32,256	0.56%	$1,152	0.39%
Hydrant - Near Maintenance Bldg	$2,427	0.04%	$221	0.08%
Leak Detection	$7,900	0.14%	$3,950	1.34%
Maintenance Eqpt, Truck, Toyota Tacoma, 2008	$24,210	0.42%	$2,690	0.92%
Project 10A: Design - Service Lines, Meter and Roadway Replacement	$38,238	0.67%	$1,093	0.37%
Project 10B: Construction - Service Lines, Meter and Roadway Replacement	$185,300	3.23%	$5,450	1.86%
Project 11A: Design - Service Lines, Meter and Roadway Replacement	$66,850	1.17%	$1,910	0.65%
Project 11B: Construction - Service Lines, Meter and Roadway Replacement	$324,700	5.66%	$9,550	3.25%
Project 12A: Design - Service Lines, Meter and Roadway Replacement	$41,990	0.73%	$1,235	0.42%
Project 12B: Construction - Service Lines, Meter and Roadway Replacement	$203,775	3.55%	$6,175	2.10%
Project 1A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$1,325	0.02%	$1,325	0.45%
Project 1B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$8,725	0.15%	$8,725	2.97%
Project 2A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$2,295	0.04%	$2,295	0.78%
Project 2B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$790,115	13.78%	$19,753	6.72%
Project 3A: Design - Service Lines, Meter and Roadway Replacement	$21,700	0.38%	$620	0.21%
Project 3B: Construction - Service Lines, Meter and Roadway Replacement	$105,400	1.84%	$3,100	1.06%
Project 4A: Design - Service Lines, Meter and Roadway Replacement	$62,600	1.09%	$1,565	0.53%
Project 4B: Construction - Service Lines, Meter and Roadway Replacement	$305,175	5.32%	$7,825	2.66%
Project 5A: Design - Service Lines, Meter and Roadway Replacement	$34,418	0.60%	$883	0.30%
Project 5B: Construction - Service Lines, Meter and Roadway Replacement	$167,200	2.92%	$4,400	1.50%
Project 6A: Design - Service Lines, Meter and Roadway Replacement	$91,943	1.60%	$2,358	0.80%
Project 6B: Construction - Service Lines, Meter and Roadway Replacement	$447,450	7.80%	$11,775	4.01%
Project 7A: Design - Service Lines, Meter, Culvert and Roadway Replacement	$43,130	0.75%	$1,135	0.39%
Project 7B: Construction - Service Lines, Meter, Culvert and Roadway Replacement	$209,975	3.66%	$5,675	1.93%
Project 8A: Design - Service Lines, Meter and Roadway Replacement	$109,150	1.90%	$2,950	1.00%
Project 8B: Construction - Service Lines, Meter and Roadway Replacement	$531,000	9.26%	$14,750	5.02%
Project 9A: Design - Service Lines, Meter and Roadway Replacement	$51,030	0.89%	$1,418	0.48%
Project 9B: Construction - Service Lines, Meter and Roadway Replacement	$248,500	4.33%	$7,100	2.42%

Reservoir #2 Ladder - Repaint	$0	0.00%	$1,370	0.47%
Reservoir Cathodic Protection 1	$10,120	0.18%	$920	0.31%
Reservoir Cathodic Protection 2	$25,000	0.44%	$1,250	0.43%
Roads - 10 year Engineering Plan - 50%	$11,460	0.20%	$3,820	1.30%
Sanitary Survey	$7,280	0.13%	$1,456	0.50%
Security, All Wells: Internet Firewall	$389	0.01%	$389	0.13%
Source Flow Meters - Replace	$440	0.01%	$440	0.15%
Storage Reservoirs - Dive Inspection	$8,500	0.15%	$850	0.29%
Storage Tank #1 - Coat Exterior	$8,278	0.14%	$690	0.23%
Storage Tank #1 - Coat Interior	$32,327	0.56%	$2,694	0.92%
Storage Tank #1 - Replace	$540,600	9.43%	$10,200	3.47%
Storage Tank #2 - Coat Exterior	$19,984	0.35%	$1,665	0.57%
Storage Tank #2 - Coat Interior	$243,510	4.25%	$6,408	2.18%
Storage Tank #2 - Replace	$357,750	6.24%	$13,250	4.51%
Telemetry System: Replace	$797	0.01%	$797	0.27%
Trailer, Water: Replace	$6,552	0.11%	$728	0.25%
WA DOH: Air Line Safety	$2,522	0.04%	$2,522	0.86%
Water Hammer Surge Tanks	$326	0.01%	$326	0.11%
Water System Plan - Update	$26,467	0.46%	$6,617	2.25%
Well # 1 - Replace	$19,913	0.35%	$6,638	2.26%
Well # 1 & 2, Control Systems: Replace	$1,680	0.03%	$1,680	0.57%
Well # 1, & #2 House, Electrical	$229	0.00%	$239	0.08%
Well # 1, 2, House	$28,860	0.50%	$740	0.25%
Well # 1, Pump / Motor - Replace	$1,450	0.03%	$1,450	0.49%
Well # 2 - Replace	$6,638	0.12%	$2,213	0.75%
Well # 2, Pump / Motor - Replace	$2,070	0.04%	$2,070	0.70%
Well # 5 - Install Final Cost	$27,517	0.48%	$27,517	9.37%
Well # 5 & #6, House	$10,050	0.18%	$5,025	1.71%
Well #5: ATEC Filtration Equipment	$46,971	0.82%	$23,486	7.99%
Well #5: Degasser Unit	$18,086	0.32%	$9,043	3.08%
Well #5: Gravel Driveway	$700	0.01%	$350	0.12%
Well #5: Mazzei Injector & Reactor	$5,486	0.10%	$2,743	0.93%
Well #5: Pump House Building, Electrical & Generator	$24,480	0.43%	$12,240	4.17%
Well #5: Pump House, Manifold Plumbing Parts	$12,086	0.21%	$6,043	2.06%
Well #5: Security Fence	$3,787	0.07%	$1,893	0.64%
Current Fully Funded Balance	$5,734,823		$293,791	Per Year
Current Reserve Fund Deficit/Surplus	($5,198,934)		$24,483	Per Month

This table shows metric information regarding the influence each component has on the fully funded balance and contribution requirements.

3.3 Component Details

Mechanical & Equipment - Caustic Systems: Repair/Replace			
Quantity:	2 Units	UL:	30
		RUL:	0
Funding Basis:	Funded based on prior reserve study	Current Cost:	$28,200.00
Mechanical & Equipment - Cla-Val Valves: Repair/Replace			
Quantity:	2 Each		
Funding Basis:	Unfunded as directed by Association		
Site/Grounds - Fence, Reservoir: Replace			
Quantity:	500 Linear Feet	UL:	40
		RUL:	14
Funding Basis:	Funded based on the typical life expectancy	Current Cost:	$15,800.00
Site/Grounds - Fence, Well Site: Replace			
Quantity:	720 Linear Feet	UL:	40
Condition:	Good	RUL:	14
Funding Basis:	Funded based on the typical life expectancy	Current Cost:	$22,700.00
Mechanical & Equipment - Generator & Controls, Well #1 & 2: Replace			
Quantity:	1 Allowance	UL:	50
		RUL:	40
Funding Basis:	Funded based on prior reserve study	Current Cost:	$52,600.00
Mechanical & Equipment - Generator, Well #4: Replace			
Quantity:	1 Allowance	UL:	50
		RUL:	22
Funding Basis:	Funded based on prior reserve study	Current Cost:	$57,600.00
Site/Grounds - Hydrant - Near Maintenance Bldg			
Quantity:	1 Each	UL:	30
		RUL:	19
Funding Basis:	Funded based on prior reserve study	Current Cost:	$6,620.00
Site/Grounds - Leak Detection			
Quantity:	1 Allowance	UL:	4
Condition:	Unknown	RUL:	2

Funding Basis:	Funded based on prior reserve study	Current Cost:	$15,800.00

Mechanical & Equipment - Maintenance Eqpt, Truck, Toyota Tacoma, 2008

Quantity:	1 Allowance	UL:	10
		RUL:	1
Funding Basis:	Funded based on Association direction	Current Cost:	$26,900.00

Mechanical & Equipment - Project 10A: Design - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	5
Funding Basis:	Funded based on Association direction	Current Cost:	$43,700.00

Mechanical & Equipment - Project 10B: Construction - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Assorted Condition	RUL:	6
Funding Basis:	Funded based on Association direction	Current Cost:	$218,000.00

Mechanical & Equipment - Project 11A: Design - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	5
Funding Basis:	Funded based on Association direction	Current Cost:	$76,400.00

Mechanical & Equipment - Project 11B: Construction - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	6
Funding Basis:	Funded based on Association direction	Current Cost:	$382,000.00

Mechanical & Equipment - Project 12A: Design - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	6
Funding Basis:	Funded based on Association records	Current Cost:	$49,400.00

Mechanical & Equipment - Project 12B: Construction - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	7
Funding Basis:	Funded based on Association direction	Current Cost:	$247,000.00

Mechanical & Equipment - Project 1A: Design - Service Lines, Meter, Culvert and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	39

Funding Basis:	Funded based on Association records	Current Cost:	$53,000.00

Mechanical & Equipment - Project 1B: Construction - Service Lines, Meter, Culvert and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	39
Funding Basis:	Funded based on Association records	Current Cost:	$349,000.00

Mechanical & Equipment - Project 2A: Design - Service Lines, Meter, Culvert and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	39
Funding Basis:	Funded based on prior reserve study	Current Cost:	$91,800.00

Mechanical & Equipment - Project 2B: Construction - Service Lines, Meter, Culvert and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Assorted Condition	RUL:	0
Funding Basis:	Funded based on Association records	Current Cost:	$790,115.00

Mechanical & Equipment - Project 3A: Design - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	5
Funding Basis:	Funded based on Association records	Current Cost:	$24,800.00

Mechanical & Equipment - Project 3B: Construction - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Assorted Condition	RUL:	6
Funding Basis:	Funded based on Association records	Current Cost:	$124,000.00

Mechanical & Equipment - Project 4A: Design - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
		RUL:	0
Funding Basis:	Funded based on Association records	Current Cost:	$62,600.00

Mechanical & Equipment - Project 4B: Construction - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Assorted Condition	RUL:	1
Funding Basis:	Funded based on Association records	Current Cost:	$313,000.00

Mechanical & Equipment - Project 5A: Design - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	1

Funding Basis:	Funded based on Association records	Current Cost:	$35,300.00

Mechanical & Equipment - Project 5B: Construction - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Assorted Condition	RUL:	2
Funding Basis:	Funded based on Association records	Current Cost:	$176,000.00

Mechanical & Equipment - Project 6A: Design - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	1
Funding Basis:	Funded based on Association records	Current Cost:	$94,300.00

Mechanical & Equipment - Project 6B: Construction - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Assorted Condition	RUL:	2
Funding Basis:	Funded based on Association records	Current Cost:	$471,000.00

Mechanical & Equipment - Project 7A: Design - Service Lines, Meter, Culvert and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	2
Funding Basis:	Funded based on Association records	Current Cost:	$45,400.00

Mechanical & Equipment - Project 7B: Construction - Service Lines, Meter, Culvert and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Assorted Condition	RUL:	3
Funding Basis:	Funded based on Association records	Current Cost:	$227,000.00

Mechanical & Equipment - Project 8A: Design - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	3
Funding Basis:	Funded based on Association direction	Current Cost:	$118,000.00

Mechanical & Equipment - Project 8B: Construction - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Assorted Condition	RUL:	4
Funding Basis:	Funded based on Association records	Current Cost:	$590,000.00

Mechanical & Equipment - Project 9A: Design - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Not Applicable	RUL:	4

Funding Basis:	Funded based on Association direction	Current Cost:	$56,700.00

Mechanical & Equipment - Project 9B: Construction - Service Lines, Meter and Roadway Replacement

Quantity:	1 Allowance	UL:	40
Condition:	Assorted Condition	RUL:	5
Funding Basis:	Funded based on Association direction	Current Cost:	$284,000.00

Mechanical & Equipment - Reservoir #2 Ladder - Repaint

Quantity:	1 Each	UL:	10
		RUL:	14
Funding Basis:	Funded based on prior reserve study	Current Cost:	$13,700.00

Mechanical & Equipment - Reservoir Cathodic Protection 1

Quantity:	1 Each	UL:	20
		RUL:	9
Funding Basis:	Funded based on prior reserve study	Current Cost:	$18,400.00

Mechanical & Equipment - Reservoir Cathodic Protection 2

Quantity:	1 Allowance	UL:	20
		RUL:	0
Funding Basis:	Funded based on prior reserve study	Current Cost:	$25,000.00

Mechanical & Equipment - Roads - 10 year Engineering Plan - 50%

Quantity:	1 Allowance	UL:	10
Condition:	Not Applicable	RUL:	7
Funding Basis:	Funded based on Association direction	Current Cost:	$38,200.00

General - Sanitary Survey

Quantity:	1 Allowance	UL:	5
Condition:	Not Applicable	RUL:	0
Funding Basis:	Funded based on prior reserve study	Current Cost:	$7,280.00

Mechanical & Equipment - Security, All Wells: Internet Firewall

Quantity:	1 Allowance	UL:	10
		RUL:	9
Funding Basis:	Funded based on Association records	Current Cost:	$3,892.00

Mechanical & Equipment - Source Flow Meters - Replace

Quantity:	4 Each	UL:	20
		RUL:	19

Funding Basis:	Funded based on prior reserve study	Current Cost:	$8,800.00

Mechanical & Equipment - Storage Reservoirs - Dive Inspection

Quantity:	1 Allowance	UL:	10
Condition:	Not Applicable	RUL:	0
Funding Basis:	Funded based on prior reserve study	Current Cost:	$8,500.00

Mechanical & Equipment - Storage Tank #1 - Coat Exterior

Quantity:	1 Each	UL:	49
		RUL:	37
Funding Basis:	Funded based on prior reserve study	Current Cost:	$33,800.00

Mechanical & Equipment - Storage Tank #1 - Coat Interior

Quantity:	1 Each	UL:	49
		RUL:	37
Funding Basis:	Funded based on prior reserve study	Current Cost:	$132,000.00

Mechanical & Equipment - Storage Tank #1 - Replace

Quantity:	1 Each	UL:	80
Condition:	Unknown	RUL:	27
Funding Basis:	Funded based on prior reserve study	Current Cost:	$816,000.00

Mechanical & Equipment - Storage Tank #2 - Coat Exterior

Quantity:	1 Each	UL:	49
		RUL:	37
Funding Basis:	Funded based on Association direction	Current Cost:	$81,600.00

Mechanical & Equipment - Storage Tank #2 - Coat Interior

Quantity:	1 Each	UL:	49
		RUL:	11
Funding Basis:	Funded based on prior reserve study	Current Cost:	$314,000.00

Mechanical & Equipment - Storage Tank #2 - Replace

Quantity:	1 Each	UL:	80
		RUL:	53
Funding Basis:	Funded based on prior reserve study	Current Cost:	$1,060,000.00

Mechanical & Equipment - Telemetry System: Replace

Quantity:	1 Allowance	UL:	30
		RUL:	29

Funding Basis:	Funded based on prior reserve study	Current Cost:	$23,900.00

Mechanical & Equipment - Trailer, Water: Replace

Quantity:	1 Allowance	UL:	10
		RUL:	1
Funding Basis:	Funded based on prior reserve study	Current Cost:	$7,280.00

General - WA DOH: Air Line Safety

Quantity:	1 Allowance	UL:	10
		RUL:	9
Funding Basis:	Funded based on Association records	Current Cost:	$25,222.00

Mechanical & Equipment - Water Hammer Surge Tanks

Quantity:	1 Each	UL:	50
Condition:	Functional	RUL:	49
Funding Basis:	Funded based on Association direction	Current Cost:	$16,300.00

General - Water System Plan - Update

Quantity:	1 Allowance	UL:	6
Condition:	Not Applicable	RUL:	2
Funding Basis:	Funded based on Association records	Current Cost:	$39,700.00

Mechanical & Equipment - Well # 1 - Replace

Quantity:	3 Allowance	UL:	80
Condition:	Functional	RUL:	77
Funding Basis:	Funded based on Association direction	Current Cost:	$531,000.00

Mechanical & Equipment - Well # 1 & 2, Control Systems: Replace

Quantity:	1 Allowance	UL:	25
		RUL:	24
Funding Basis:	Funded based on prior reserve study	Current Cost:	$42,000.00

Mechanical & Equipment - Well # 1, & #2 House, Electrical

Quantity:	1 Allowance		
Condition:	Unknown	RUL:	23
Funding Basis:	Funded based on Association direction	Current Cost:	$5,500.00

Building Exterior - Well # 1, 2, House

Quantity:	3 Buildings	UL:	40
		RUL:	1

Funding Basis:	Funded based on prior reserve study	Current Cost:	$29,600.00

Mechanical & Equipment - Well # 1, Pump / Motor - Replace

Quantity:	1 Each	UL:	10
Condition:	Good	RUL:	9
Funding Basis:	Funded based on prior reserve study	Current Cost:	$14,500.00

Mechanical & Equipment - Well # 2 - Replace

Quantity:	1 Each	UL:	80
Condition:	Good	RUL:	77
Funding Basis:	Funded based on Association direction	Current Cost:	$177,000.00

Mechanical & Equipment - Well # 2, Pump / Motor - Replace

Quantity:	1 Each	UL:	10
Condition:	Good	RUL:	9
Funding Basis:	Funded based on prior reserve study	Current Cost:	$20,700.00

Mechanical & Equipment - Well # 4 - Replace / Future Decommission

Quantity:	1 Allowance
Condition:	Functional
Funding Basis:	Unfunded as directed by Association

Mechanical & Equipment - Well # 4, Control Systems: Replace

Quantity:	1 Allowance
Funding Basis:	Unfunded as directed by Association

Building Exterior - Well # 4, House

Quantity:	2 Buildings
Funding Basis:	Unfunded as directed by Association

Mechanical & Equipment - Well # 4, Pump / Motor - Replace

Quantity:	3 Each
Condition:	Good
Funding Basis:	Unfunded as directed by Association

Mechanical & Equipment - Well # 5 - Install Final Cost

Quantity:	1 Allowance	UL:	50
Condition:	Unknown	RUL:	49

Funding Basis:	Funded based on prior reserve study	Current Cost:	$1,375,860.00

Building Exterior - Well # 5 & #6, House

Quantity:	2 Buildings	UL:	40
		RUL:	38
Funding Basis:	Funded based on prior reserve study	Current Cost:	$201,000.00

Mechanical & Equipment - Well #5: ATEC Filtration Equipment

Quantity:	1 Allowance	UL:	7
		RUL:	5
Funding Basis:	Funded based on Association records	Current Cost:	$164,400.00

Mechanical & Equipment - Well #5: Degasser Unit

Quantity:	1 Allowance	UL:	7
		RUL:	5
Funding Basis:	Funded based on Association records	Current Cost:	$63,300.00

Site/Grounds - Well #5: Gravel Driveway

Quantity:	1 Allowance	UL:	10
		RUL:	8
Funding Basis:	Funded based on Association records	Current Cost:	$3,500.00

Mechanical & Equipment - Well #5: Mazzei Injector & Reactor

Quantity:	1 Allowance	UL:	7
		RUL:	5
Funding Basis:	Funded based on Association records	Current Cost:	$19,200.00

Mechanical & Equipment - Well #5: Pump House Building, Electrical & Generator

Quantity:	1 Allowance	UL:	15
		RUL:	13
Funding Basis:	Funded based on Association records	Current Cost:	$183,600.00

Mechanical & Equipment - Well #5: Pump House, Manifold Plumbing Parts

Quantity:	1 Allowance	UL:	7
		RUL:	5
Funding Basis:	Funded based on Association records	Current Cost:	$42,300.00

Site/Grounds - Well #5: Security Fence

Quantity:	1 Allowance	UL:	15
		RUL:	13

Funding Basis: Funded based on Association records

Current Cost: $28,400.00

4. How to Read Your Reserve Study

This reserve study is an important planning tool that contains long-term common area replacement and financial recommendations for your Association. In order to accomplish this, we provide you with critical information that should be considered when evaluating the current health of your reserve fund, future maintenance, repair and replacement expenses and reserve contribution rates to include within the regular unit owner assessments. With the use of this reserve study your Association will be better prepared for present and future expenses.

We have worked to identify your common area assets, called **components**, which have maintenance or replacement expenses that can be anticipated. Our recommendations should help to minimize deferred maintenance and special assessments, as well as maximize your property value.

Having properly funded reserves enables the Association to keep the common area assets in good condition. When potential buyers consider which association to purchase a home in, the overall condition of the association and reserve fund may be considered. Having good financials, maintenance, and curb appeal, all work together to increase your property value.

We know that your needs are different from the needs of others. Therefore, we have created this report specifically for your Association. When possible, we have had discussions with the Association Board of Directors, vendors and professional management to provide recommendations that will help you meet your Association's goals and objectives.

4.1 About Reserve Studies

By definition a reserve study is a budget planning tool. It identifies the current status of the reserve fund with a stable and equitable funding plan, to offset the anticipated future major common area expenditures. Plainly, a reserve study is a long term plan that indicates how much money needs to be set aside to pay for future expenses. The reserve study consists of two parts: the physical analysis and financial analysis.

The **physical analysis** identifies which components are appropriate for reserve funding and the current physical condition assessment of each asset; then indicates the life expectancy or useful life of the component as well as the life remaining or remaining useful life of each component. The physical analysis is concluded with the current cost to replace each component. The physical analysis information is used within the financial analysis. Therefore, it generally contains many recommendations and justifications regarding component repair, maintenance and replacement recommendations as well as cost and life cycles.

The **financial analysis** includes two results. First, it reveals the health of the reserve fund. This is completed by determining the current status of the reserve fund known as percent funded. The second result is the reserve contribution recommendation. Using the information contained within the physical analysis, the future expected expenses are analyzed and reviewed. Then multi-year funding plans are developed to meet various funding goals. The reserve contributions required to meet the funding goal desired is then presented and recommended to the Association.

4.2 Reserve Study Levels

- **Level I:** Full Reserve Study Funding Analysis and Plan. This is the most labor intensive reserve study, as it includes both a physical and financial analysis. The component inventory list and current component condition assessments with life and valuation estimates are determined from an on-site visual inspection. This information is used to conduct the financial analysis, which includes the current fund status and a recommended funding plan. A "Full Reserve Study" is recommended when a previous reserve study is not available, a substantial time has elapsed since the last study (7-10

years), or there are concerns with an existing reserve study's component inventory or measurements.

- **Level II:** Update with Visual Site Inspection. This report updates both the physical analysis and financial analysis of an existing report. An on-site visual inspection is conducted to verify and/or make adjustments to the existing component list, condition assessments, useful life and component valuation estimates. The financial analysis is also updated, including the current fund status and recommended funding plan. A level II report is recommended at least every three years, before and after major projects and as required by state law.
- **Level III:** Update with No Visual Site Inspection. This report updates the financial analysis of an existing reserve study only. No on-site visual inspection is completed. An existing fund status and funding plan is updated using research conducted with board members, vendors, association managers and information contained within a prior reserve study. A level III report is recommended to review, adjust and verify that the existing funding plan is accurate and suitable for current economic conditions. A level III report is recommended at least annually.

4.3 Percent Funded

Percent funded is a way to measure the strength of the reserve fund. The Community Associations Institute (CAI) defines "Percent Funded" as "the ratio, at a particular point of time, of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage." The **fully funded balance** is the total accrued depreciation or deterioration of the component(s). This balance is the cost of how much life has been used up. The fully funded balance is then used as an indicator against which the actual (or projected) reserve fund balance can be compared; known as percent funded.

For example, if an association were to replace interior carpeting in 10 years at an expense of $10,000; then each year the cost of deterioration is 1/10th of the replacement cost. Therefore, each year $1,000 of cost is accrued. In year 2, the fully funded balance would be $2,000. In year 5, the cost of existing deterioration is $5,000, and so on. To determine the percent funded, the FFB is compared to the reserve fund balance. To continue the above example, the association has $2,000 in their reserve fund in year 2. The total accrued deterioration or FFB is $2,000, therefore they are 100% funded. The association has saved 100% of the accrued deterioration or fully funded balance. If they have set aside only $1,000, the association is 50% funded, having saved 50% of the existing deterioration or cost.

Using Percent Funded to Measure Strength

- **0-30% Funded is a "weak" status.** There is a lack of funds reserved toward the amount of accrued deterioration. Whenever an association has a weak status there is an increased possibility of requiring special assessments, loans or deferred maintenance.
- **31-69% Funded is a "fair" status.** There is a decreased chance of requiring special assessments or deferred maintenance, however, cash flow problems may very easily arise.
- **70-100% Funded is a "strong" status.** Associations in this range generally have financial stability. There are generally no cash flow issues, special assessments or deferred maintenance necessary.
- **100% Funded is known as "ideal."** The reserve fund balance equals the fully funded balance. This is "ideal" because funds are reserved as components are used. It is thought to be the most fair for members because they pay as they go, or they pay their share.

Use Caution When Using Percent Funded

Percent funded is a ratio and therefore does not convey the urgency that is often times required. There are two aspects that need to be considered when evaluating the urgency of the current situation, the time remaining before an expense is scheduled to occur, as well as the cost of the expense.

The first aspect that percent funded does not consider is the time remaining before the expense is to occur. Use the same carpet replacement example ($10,000 carpet expense to be saved over 10 years). If, in year 5 they have only saved $2,500 they are 50% funded (remember the total accrued deterioration or FFB would be $5,000). To have the capital required to complete the project as scheduled in year 10 for $10,000, they would need to save $1,500 each year for the next 5 years.

Changing the time frames, if in year 10 they have set aside $5,000, they would still be 50% funded (having saved 50% of the total accrued deterioration of $10,000). However, they now need to attain $5,000 of the required $10,000 expense immediately rather than over a period of time.

These examples show that the percent funded ratio lacks the urgency that each association may have in attaining the rest of the financing.

Percent funded also does not consider the cost of the expense. Using the same 10 year cycle, changing the cost of the required expense from $10,000 to a $30,000 paint project, in year 5 the association is 50% funded by having set aside $15,000. In this case, they must save $3,000 each year, not $1,500. If in year 10, they are 50% funded, they would need to save $15,000 not $5,000. Notice how the percent funded is the same, but the amount needed to meet the financial obligation is very different.

Percent funded is a very useful ratio, however, it must be placed in context. Remember to evaluate not only the percent funded but also the cash balance and size of the upcoming expenditures as well.

4.4 Reserve Funding Plans & Goals

To determine the contribution rate to the reserve fund, the association needs to determine their reserve fund goal. This may be based on a number of objectives and analysis' corresponding to the reserve fund. There are three different funding goals associations may choose based on their risk tolerance:

- **Baseline Funding Goal** – This sets the reserve contribution amount as low as possible without the reserve fund dropping below a zero balance. This is the most risky method with the least contributed to the reserve fund. If an expense arrives early, or unexpected, there is a significant chance of needing a special assessment or loan.
- **Threshold Funding Goal** - The goal of Threshold Funding is to set the reserve contribution amount to meet a specified goal. Common goals to achieve and maintain are 70 Percent Funded, to maintain a cash-balance of 15% of the prior year's expenses, or to maintain a minimum cash-balance of the prior year's reserve contribution amount.
- **Full Funding Goal** – Sets the goal at being fully funded. This plan sets the reserve contribution amount to achieve a fully funded balance. Fully funded is achieved when the percent funded is 100%. It requires the largest contribution to the reserve fund of the three goals, but is also the least risky.

4.5 Reserve Contributions

There are three ways to contribute to your Reserve Account:

- **Regular Contributions:** If adequate regular contributions are not established the reserve fund will eventually be underfunded. An underfunded reserve account leads to deferred maintenance and potentially extensive repair. As already mentioned, the effects of deferred maintenance and extensive repair are significantly more than routine or preventative maintenance. Additionally, it is the most fair and equitable to the association members. If reserve contributions are not set properly, whether too high or low, the individuals who use the asset will not be paying for it. If the contributions are set too high, current owners are paying for what future owners should pay for.

Likewise, when contributions are set too low, future owners will pay for what current owners should have paid for. Having properly set reserve contributions is the most fair for everyone involved.

- **Special Assessments:** If the reserve fund is underfunded at the time an expense is required, the association is forced to hold a special assessment. Most often, this occurs when deferred maintenance catches up and the association is forced to deal with it. It is better to have a small monthly increase now rather than a very large and unexpected increase later.
- **Loans:** If the association members do not have the finances to contribute to a special assessment or the required repairs are too extensive and costly for a special assessment, a loan may be required. This not only requires a monthly increase in dues, but members are then paying for past as well as future expenses, rather than just future expenses. The future still needs to be anticipated and saved for.

4.6 Reserve Components

The components of a reserve study have significant impact on the accuracy of the report. If items are improperly included or excluded from the reserve study, then the projected expenses and subsequent required reserve contributions will likewise be affected. Before a component is included within the reserve study, it is evaluated and qualified using a nationally recognized four-part test:

- **Common Area:** The component must be association responsibility; limited common areas may be included.
- **Limited Useful Life:** The life of the component must be limited.
- **Predictable Life:** The limited life must be predictable.
- **Minimum Threshold Cost:** Generally greater than 1% of the annual operating budget or $1,000 whichever is greater.

Repairs or replacements of components that are predicted to have an estimated remaining useful life exceeding this 30-year report period are generally not included. Items that are below the minimum threshold cost, or reoccur annually are generally included within the annual operating budget. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

Maintaining Components

There are three ways to manage capital reserve expenses:

- **Preventative Maintenance:** This is the most effective way to extend the useful life of components and save money in the long run, as it is a proactive maintaining of components. The cost of maintaining the condition and quality of a component is much less than repair or replacing the component to bring it back to a usable condition and may also prolong the life expectancy of an asset.
- **Deferred Maintenance:** This is deferring routine maintenance rather than completing maintenance as recommended. A common household example of this is deferring the oil changes in a vehicle. Deferred maintenance is likely the first indication of, and results in, having inadequate reserve funds. While in the short run the association is contributing less money, the effects of deferring maintenance and the costs associated with it are far greater than the cost of preventative maintenance.
- **Extensive Repair or Replacement:** This is when a component needs to have significant repair(s) completed or even replacement prior than anticipated. While not always, this is generally a result of deferred maintenance. The cost of significant repair or advanced replacement is not only expensive, it also decreases association morale through poor association management, poor curb appeal and out of commission assets.

4.7 Implementing Your Reserve Study

- **Step 1 - Understand:** The board of directors has the responsibility to lead the association, therefore, the first step is for the board to hold a meeting. This meeting should discuss the results of the reserve study in order for the Board to better understand the current position of the association and the upcoming reserve requirements of the association.
- **Step 2 - Plan:** The board should then create a plan to determine how best to manage the association's common area assets and financial position. Using this reserve study as a guide, the board should make the adjustments required to meet the needs of the association and its members. This includes setting the reserve contribution amount.
- **Step 3 - Communicate:** After the board has determined the best course of action, the plan needs to be communicated to the association members. This can be accomplished through the distribution of the results of this reserve study and/or through association meetings. This allows them to ask questions and understand the direction the association will be heading.
- **Step 4 - Update and Adjust:** Reserve studies are a one-year document, and need to be updated and adjusted annually. We recommend additional collaboration with specialized professionals to provide the expertise and adjustments to this reserve study. Additionally, we recommend the board review and make minor adjustments of this plan before and after reserve projects throughout the year.

5. Supplemental Report Information

5.1 Definitions

COMPONENT: The individual line items in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components are defined as being:

1. Association responsibility
2. Having a limited Useful Life expectancy
3. Predictable Remaining Useful Life expectancies
4. Above a minimum threshold cost
5. As required by law

DEFICIT/SURPLUS: The Reserve Balance less the Fully Funded Balance.

FULLY FUNDED BALANCE (FFB): Equivalent to Total Accrued Depreciation. This represents the deteriorated or used portion of the component. This is calculated for each component, then summed together for a total FFB.
FFB = Current Cost X Effective Age / Useful Life

PERCENT FUNDED: The ratio at a particular point of time of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

PROJECTED RESERVE BALANCE: The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

REMAINING USEFUL LIFE (RUL): The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

USEFUL LIFE (UL): The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

5.2 Table 4 - RCW Required Information & Location

RCW Required Information	Report Location
(a) A reserve component list, including any reserve component that would cost more than one percent of the annual budget of the association, not including the reserve account, for major maintenance, repair, or replacement. If one of these reserve components is not included in the reserve study, the study should provide commentary explaining the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, remaining useful life of each reserve component, and current major maintenance, repair, or replacement cost for each reserve component;	Table 1 Table 4
(b) The date of the study and a statement that the study meets the requirements of this section;	Disclosure Page
(c) The level of reserve study performed:	Cover Page
(d) The association's reserve account balance;	Executive Summary
(e) The percentage of the fully funded balance that the reserve account is funded;	Executive Summary Financial Summary
(f) Special assessments already implemented or planned;	Executive Summary Financial Summary
(g) Interest and inflation assumptions;	Executive Summary Financial Summary
(h) Current reserve account contribution rate;	Executive Summary Financial Summary
(i) Recommended reserve account contribution rate; a contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a baseline funding plan to maintain the reserve balance above zero throughout the thirty-year study period without special assessments, and a contribution rate recommended by the reserve study professional;	Executive Summary Financial Summary
(j) Projected reserve account balance for thirty years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned special assessments;	Spread Sheet of Reserve Expenses
(k) Whether the reserve study was prepared with the assistance of a reserve study professional.	Executive Summary
(3) A reserve study shall include the following disclosure: "This 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."	Disclosure Page

5.3 Reserve Study Disclosure

This document is the sole opinion of CEDCORE, LLC and has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of CEDCORE. The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

This reserve study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialists and independent contractors. The site visit is a limited scope visual observation of the surface condition of identified and exposed components. Hidden systems including but not limited to mechanical, electrical, structural, plumbing, storm water, sewer, water supply, foundations, etc. are beyond the scope of a reserve study. No destructive testing was undertaken, nor does this study purport to address any latent and/or patent defects or life expectancies which are abnormally short due to either improper design and/or installation or due to subsequent improper maintenance. It is assumed that all components are to be reasonably maintained for the remainder of their life expectancy.

Various construction pricing and scheduling manuals may be used as well as costs and life expectancies obtained from numerous vendors, vendor catalogues, actual quotations or historical costs, and our own experience in the field of Reserve Study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated Useful Life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your Reserve Study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the useful life and cost of many of the assets under consideration.

This Reserve Study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. Additionally, other unanticipated expenses may arise that are not included within this reserve study. This 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 the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement.
This Reserve Study was prepared by or under the direct supervision of a Reserve Study Professional following National Reserve Study Standards and complies with RCW 64.34.382 and 64.90.550. The Reserve Study Professional is independent from the Association, and has no other involvement with the Association which would result in actual or perceived conflicts of interest. This Reserve Study needs to be updated annually as well as when any new material information is obtained.

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