

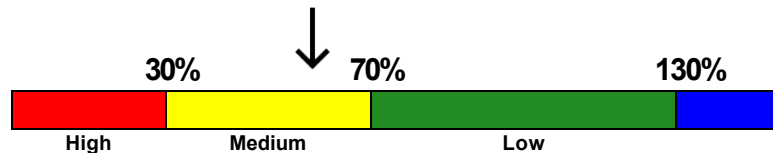
3- Minute Executive Summary

Association: HMC Water System **Assoc. #: 26621-5**
Location: Lakebay, WA **# of Units: 400**
Report Period: October 1, 2019 through September 30, 2020

Findings/Recommendations as-of: October 1, 2019

Starting Reserve Balance	\$291,650
Current Fully Funded Reserve Balance	\$488,035
Percent Funded	59.8 %
Average Reserve Deficit or (Surplus) Per Unit	\$491.
2019/2020 100% Annual "Full Funding" Contributions	\$87,100.
2019/2020 70% Annual "Threshold Funding" Contributions	\$66,740.
2019/2020 "Alternate/Baseline Funding" to keep Reserves above \$0	\$24,032.
Recommended 2019 Special Assessment	\$0.
Most Recent Budgeted Contribution Rate	\$42,572.

Reserves % Funded: 59.8%



Special Assessment Risk:

Economic Assumptions:

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

- This is a Update "No-Site-Visit" Reserve Study, meeting or exceeding all requirements of the RCW. This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS 153).
- Your Reserve Fund is currently 59.8 % Funded. This means the association's special assessment and/or deferred maintenance risk is currently Medium. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Contributions to within the 70% to 100% range as noted above. The 100% "Full" and 70% contribution rates are designed to gradually achieve these funding objectives by the end of our 30-year report scope.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Alternate Funding" in this report is synonymous with Baseline Funding, as defined within the RCW " to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan contribution rates are presented as an aggregate total, assuming average percentage of ownership. The actual ownership

allocation may vary - refer to your governing documents.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Capacity / Storage				
901	Well Pumps/Motors - Replace	30	23	\$19,100
904	Well Controls - Replace	30	23	\$5,305
910	Storage Tank, Concrete - Replace	80	66	\$225,500
912	Storage Tank, Interior - Clean	10	0	\$4,240
914	Storage Tank, Exterior - Clean	5	0	\$3,390
Boost				
920	Booster Pumps, 5 HP - Replace	20	13	\$16,950
922	Booster Pump, 15 HP - Replace	40	33	\$23,300
924	Booster Pumps VFD Control - Replace	20	13	\$16,950
Distribution				
940	Distribution Lines, 6"-8" - Replace	70	63	\$1,105,000
941	Distribution Lines, 2" - Replace	40	33	\$71,600
945	Service Connect/Lines - Replace	40	33	\$273,500
946	Service Meters - Replace	10	3	\$134,500
947	Service Meter Box/Setters - Replace	20	13	\$134,500
950	Pressure Reducing Valves - Replace	20	13	\$13,400
954	Blow-Out/Isolation Valves - Replace	30	23	\$40,350
958	Hydrants - Replace	40	33	\$167,500
Buildings/Site				
964	Building Roofs - Replace	40	34	\$3,500
967	Storage Shed, Vinyl - Replace	20	14	\$2,870
969	Building Electrical - Replace	30	23	\$11,160
970	Chain Link Fence - Replace	35	29	\$18,350
Systems/Equipment				
980	Generator, Emergency - Replace	50	5	\$53,050
999	Meter Reader System - Replace	6	0	\$5,700
Financial/Professional				
1006	SWSMP - Update	6	0	\$3,190
23 Total Funded Components				

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