

**HMC Water System**

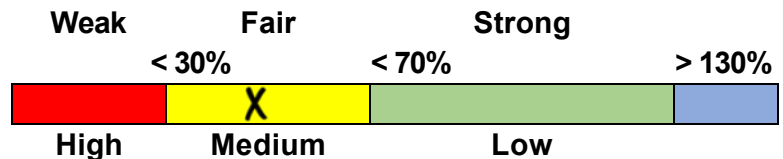
Lakebay, WA

Level of Service: **Update "No-Site-Visit"**Report #: **26621-7**

# of Units: 402

**October 1, 2021 through September 30, 2022****Findings & Recommendations****as of October 1, 2021**

Starting Reserve Balance	\$311,219
Current Fully Funded Reserve Balance	\$640,701
Percent Funded	48.6 %
Average Reserve (Deficit) or Surplus Per Unit	(\$820)
Recommended 2021/2022 100% Annual "Full Funding" Contributions	\$99,600
Recommended 2021/2022 70% Annual "Threshold Funding" Contributions	\$76,590
2021/2022 "Baseline Funding" to keep Reserves above \$0	\$29,734
Recommended 2021 Special Assessment	\$0
Most Recent Budgeted Contribution Rate	\$35,000

**Reserve Fund Strength: 48.6%****Risk of Special Assessment:****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", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS 153).

• Your Reserve Fund is currently 48.6 % Funded. This means the association's special assessment and/or deferred maintenance risk would ordinarily be considered 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 Reserve cash flow problems.

• Based on this starting point and your anticipated future expenses, **we continue to recommend substantially increasing Reserve Contributions to within the 70% to 100% range as noted above. Going forward, collection of reserve monies to provide for fair distribution of expense burden to offset ongoing deterioration of reserve category projects and improve reserve fund status should be undertaken. In other words, current owners should contribute "their fair share" to maintenance reserves.** The reader should note that the FY 2021/2022 "Annual Deterioration" of reserve components is \$67,729.

• No assets appropriate for Reserve designation are known to be excluded. See appendix for important component information and the basis of our assumptions. "Baseline Funding" in this report is 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, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>Capacity / Storage</b>				
901	Well Pumps/Motors - Replace	30	21	\$20,300
904	Well Controls - Replace	30	21	\$6,180
910	Storage Tank, Concrete - Replace	80	64	\$238,500
912	Storage Tank, Interior - Clean	10	0	\$4,635
914	Storage Tank, Exterior - Clean	5	0	\$3,605
<b>Boost</b>				
920	Booster Pump #1, 5 HP - Replace	10	0	\$5,000
921	Booster Pump #2, 5 HP - Replace	10	9	\$5,000
922	Booster Pump, 15 HP - Replace	40	31	\$24,750
924	Booster Pumps VFD Control - Replace	20	11	\$18,000
<b>Distribution</b>				
940	Distribution Lines, 6"-8" - Replace	70	61	\$1,175,000
941	Distribution Lines, 2" - Replace	40	31	\$75,950
945	Service Connect/Lines - Replace	40	31	\$288,500
946	Service Meters - Replace	10	1	\$144,500
947	Service Meter Box/Setters - Replace	20	11	\$144,500
950	Pressure Reducing Valves - Replace	20	11	\$14,200
954	Blow-Out/Isolation Valves - Replace	30	21	\$42,800
958	Hydrants - Replace	40	31	\$177,500
<b>Buildings/Site</b>				
964	Building Roofs - Replace	40	32	\$3,760
967	Storage Shed, Vinyl - Replace	20	12	\$3,045
969	Building Electrical - Replace	30	21	\$11,840
970	Chain Link Fence - Replace	35	27	\$19,450
<b>Systems/Equipment</b>				
980	Generator, Emergency - Replace	50	3	\$56,300
999	Meter Reader System - Replace	7	6	\$20,600
<b>Financial/Professional</b>				
1006	SWSMP - Update	6	0	\$4,500

**24 Total Funded Components**

Note 1: Yellow highlighted line items are expected to require attention in this initial year.