

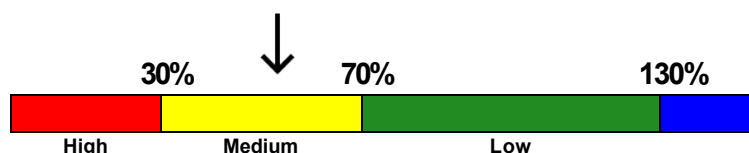
### 3- Minute Executive Summary

**Association:** HMC Water System **Assoc. #: 26621-6**  
**Location:** Lakebay, WA **# of Units: 402**  
**Report Period:** October 1, 2020 through September 30, 2021

#### Findings/Recommendations as-of: October 1, 2020

Starting Reserve Balance . . . . .	\$310,242
Current Fully Funded Reserve Balance . . . . .	\$573,547
Percent Funded . . . . .	54.1 %
Average Reserve (Deficit) or Surplus Per Unit . . . . .	(\$655)
2020 100% Annual "Full Funding" Contributions . . . . .	\$93,400
2020 70% Annual "Threshold Funding" Contributions . . . . .	\$71,880
2020 "Alternate / Baseline Funding" to keep Reserves above \$0 . . . . .	\$26,886
Recommended 2020 Special Assessment . . . . .	\$0
Planned 2020/2021 Budgeted Contribution Rate . . . . .	\$35,000

Reserves % Funded: 54.1%



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 "With-Site-Visit" Reserve Study, 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 54.1 % 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 Reserve cash flow problems.

• Based on this starting point and your anticipated future expenses, our recommendation is to significantly increase your Reserve Contributions to within the 70% to 100% range as noted above. The 100% "Full" and 70% contribution rates are designed to gradually achieve the funding objectives by the end of our 30-year report scope.

• No assets appropriate for Reserve designation are known to be excluded. See appendix for important 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	22	\$19,700
904	Well Controls - Replace	30	22	\$6,000
910	Storage Tank, Concrete - Replace	80	65	\$232,000
912	Storage Tank, Interior - Clean	10	0	\$4,500
914	Storage Tank, Exterior - Clean	5	0	\$3,500
Boost				
920	Booster Pumps, 5 HP - Replace	20	12	\$17,450
922	Booster Pump, 15 HP - Replace	40	32	\$24,000
924	Booster Pumps VFD Control - Replace	20	12	\$17,450
Distribution				
940	Distribution Lines, 6"-8" - Replace	70	62	\$1,140,000
941	Distribution Lines, 2" - Replace	40	32	\$73,750
945	Service Connect/Lines - Replace	40	32	\$280,000
946	Service Meters - Replace	10	2	\$140,000
947	Service Meter Box/Setters - Replace	20	12	\$140,000
950	Pressure Reducing Valves - Replace	20	12	\$13,800
954	Blow-Out/Isolation Valves - Replace	30	22	\$41,550
958	Hydrants - Replace	40	32	\$172,500
Buildings/Site				
964	Building Roofs - Replace	40	33	\$3,650
967	Storage Shed, Vinyl - Replace	20	13	\$2,955
969	Building Electrical - Replace	30	22	\$11,500
970	Chain Link Fence - Replace	35	28	\$18,900
Systems/Equipment				
980	Generator, Emergency - Replace	50	4	\$54,650
999	Meter Reader System - Replace	7	0	\$14,000
Financial/Professional				
1006	SWSMP - Update	6	0	\$3,500

**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.