San Francisco Office
268 Bush Street #3434
San Francisco, CA 94104

ASSOCIATION RESERVES
San Francisco, LLC
Est. 1986
Reserve Studies for Community Associations

tel 877/618.1955
415/694.8931
916/912.4188
fax 415/762.3662
www.reservestudy.com

"Full" Reserve Study

RMCSD – Administrative Department

Rancho Murieta, CA

Report #: 27003-0 ADMIN
For Period Beginning: July 1, 2015
Expires: June 30, 2016

Date Prepared: January 21, 2015

Hello, and welcome to your Reserve Study!

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

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

In this Report, you will find…

1) **A List of What you're Reserving For**

2) **An Evaluation of your Reserve Fund Size and Strength**

3) **A Recommended Multi-Year Reserve Funding Plan**

More Questions?

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

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3- Minute Executive Summary

Name: **RMCSD – Admin** **Assoc. #: 27003-0 ADMIN**

Location: **Rancho Murieta, CA**
# of Units: **1**
Report Period: **July 1, 2015 through June 30, 2016**

Results as-of 7/1/2015:

Projected Starting Reserve Balance:	**$38,382**
Fully Funded Reserve Balance:	**$320,347**
Average Reserve Deficit (Surplus) Per Unit:	**$281,965**
Percent Funded:	**12.0%**
Recommended 2015/16 monthly Reserve Contribution:	**$5,500**

Most Recent Reserve Contribution Rate:..... $0

Economic Assumptions:
Net Annual "After Tax" Interest Earnings Accruing to Reserves..... 1.00%
Annual Inflation Rate..... 3.00%

- **This is a "Full" Reserve Study (original, created "from scratch").**
- **The information in this Reserve Study is based on our site inspection on August 4, 2014.**
- **This Reserve Study was prepared under the supervision of a credentialed Reserve Specialist (RS).**
- **Because your Reserve Fund is at 12.0% Funded, this means the CSD's Administrative Department deferred maintenance risk & need for a transfer of funds is currently high.**
- **Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".**
- **Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.**
- **No assets appropriate for Reserve designation were excluded.**

Table 1: Executive Summary					27003-0 ADMIN
#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
202	Asphalt - Resurface	25	5	$79,200	$91,815
203	Asphalt - Seal/Repair	5	0	$4,500	$5,217
303	HVAC Condensers - Replace	25	5	$24,750	$28,692
323	Street/Pole Lights - Replace	40	17	$11,000	$18,181
509	Trellis - Replace	25	8	$12,500	$15,835
601	Carpet - Replace	15	5	$19,750	$22,896
909	Bathroom - Refurbish	25	5	$7,000	$8,115
913	Kitchen - Refurbish	25	5	$9,000	$10,433
918	Office Furniture - Replace 50%	10	4	$39,000	$43,895
940	Storage Cabinetry - Refurbish	22	8	$11,000	$13,934
1009	Landscaping & Irrigation- Replenish	6	2	$12,500	$13,261
1110	Interior Surfaces - Repaint	15	5	$5,850	$6,782
1115	Exteriors - Repaint/Repair	10	8	$3,100	$3,927
1305	Tile Roof - Replace Underlayment	30	9	$55,000	$71,763
1312	Gutters/Downspouts - Replace	30	5	$4,000	$4,637
1804	Internet/Wireless Systems - Replace	4	2	$12,000	$12,731
1812	Servers - Replace	5	0	$20,000	$23,185
1819	Fire Alarm System - Replace	15	10	$9,500	$12,767
1829	Video/Sound Systems - Replace 50%	6	5	$12,250	$14,201
2400	Stuffer Machine - Replace	8	4	$21,000	$23,636
2401	BizHub - Replace	5	0	$31,100	$36,053
2411	Admin Software - Replace	10	6	$85,000	$101,494
22	Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in initial year.
Note 2: a Useful Life of “N/A” means a one-time expense, not expected to repeat.

Introduction

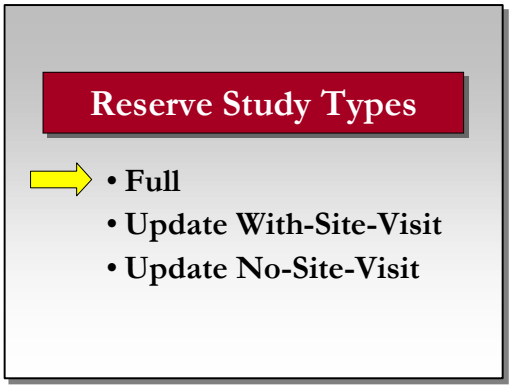
A Reserve Study is the art and science of anticipating, and preparing for, a CSD Administrative Department's major repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the Administrative Department is obligated to maintain. Based on that List and your starting balance we computed the Administrative Department's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing deterioration.

Methodology

First we establish what the projected expenses are, then we determine the Administrative Department's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established CSD precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List "from scratch".



Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be an Administrative Department maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a "surprise" which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include "lifetime" components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

1) Visual Inspection (observed wear and age)
2) Association Reserves database of experience
3) Client Component History
4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order…

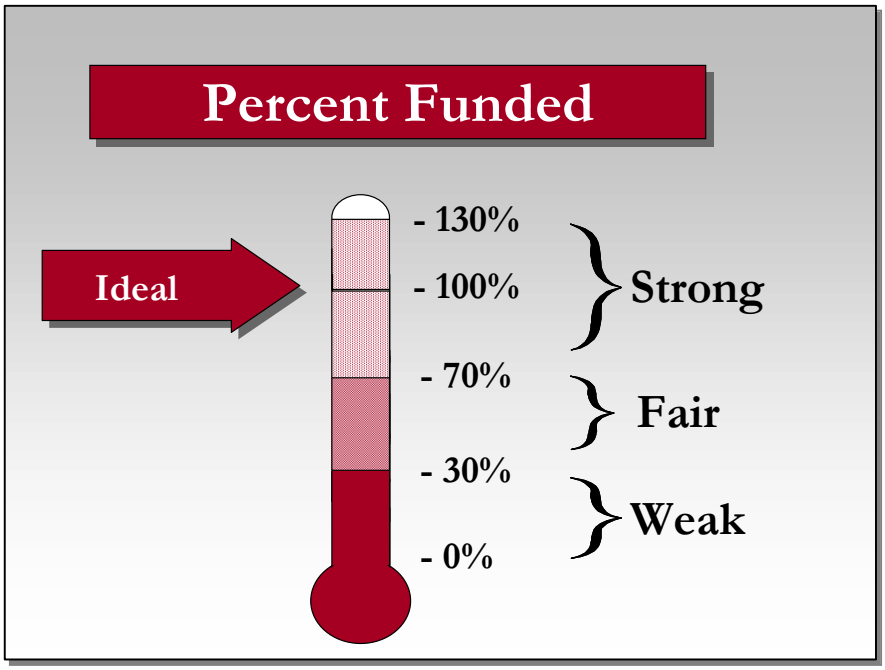
1) Client Cost History
2) Comparison to Association Reserves database of work done at similar CSDs
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

1) Calculate the Administrative Department's Fully Funded Balance (FFB).
2) Compare to the Administrative Department Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the Administrative Department increase, but shrinks when projects are accomplished and the Reserve needs of the Administrative Department decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



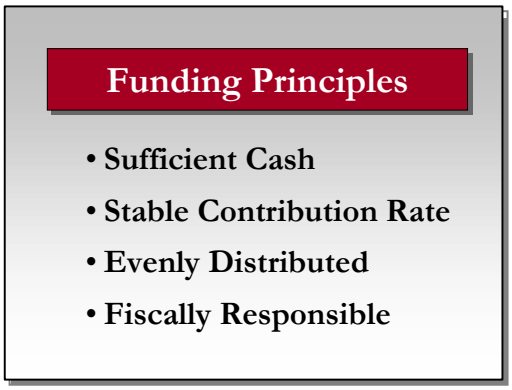
Deferred maintenance and the need for a transfer of funds are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your Administrative Department is for upcoming Reserve expenses.

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their "fair share" of the Administrative Department's Reserve expenses (this means we recommend a transfer of funds only when all other options have been exhausted). We develop a plan that is fiscally responsible and "safe" for Board Members to recommend to their CSD.

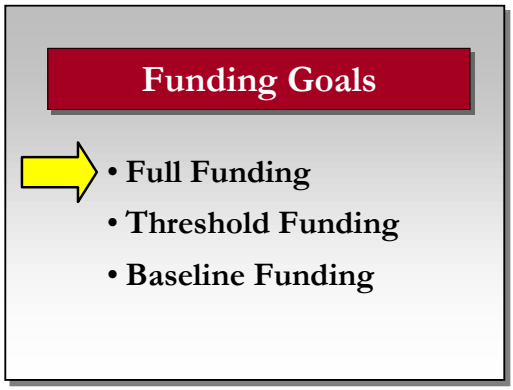


What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called "Full Funding" the Reserves (100% Funded). As each asset ages and becomes "used up", the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, CSDs in the 100% range rarely experience deferred maintenance or the need for a transfer of funds to Reserves.

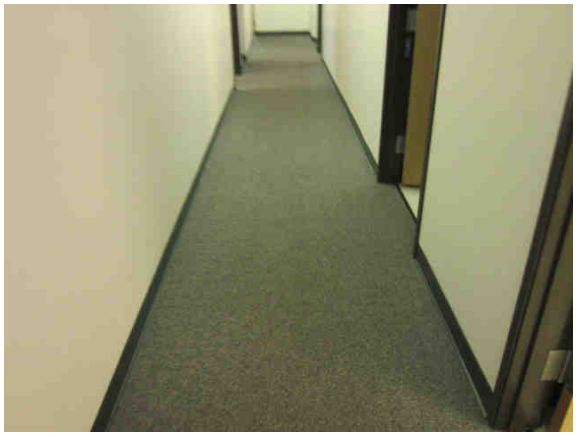
Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these CSDs, deterioration occurs without matching Reserve contributions. With a low Percent Funded, deferred maintenance or the need for a transfer of funds to Reserves is common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.



Site Inspection Notes

During our site visit on August 4, 2014, we started with a brief meeting with Paul Siebensohn (Director of Field Operations), and then started the site inspection beginning with the administrative building. We visually inspected all of the administrative areas.



Projected Expenses

The figure below shows the array of the projected future expenses at your CSD's Administrative Department. All expenses are based on the average of our Best Case and Worst Case projections, inflated appropriately for future years.

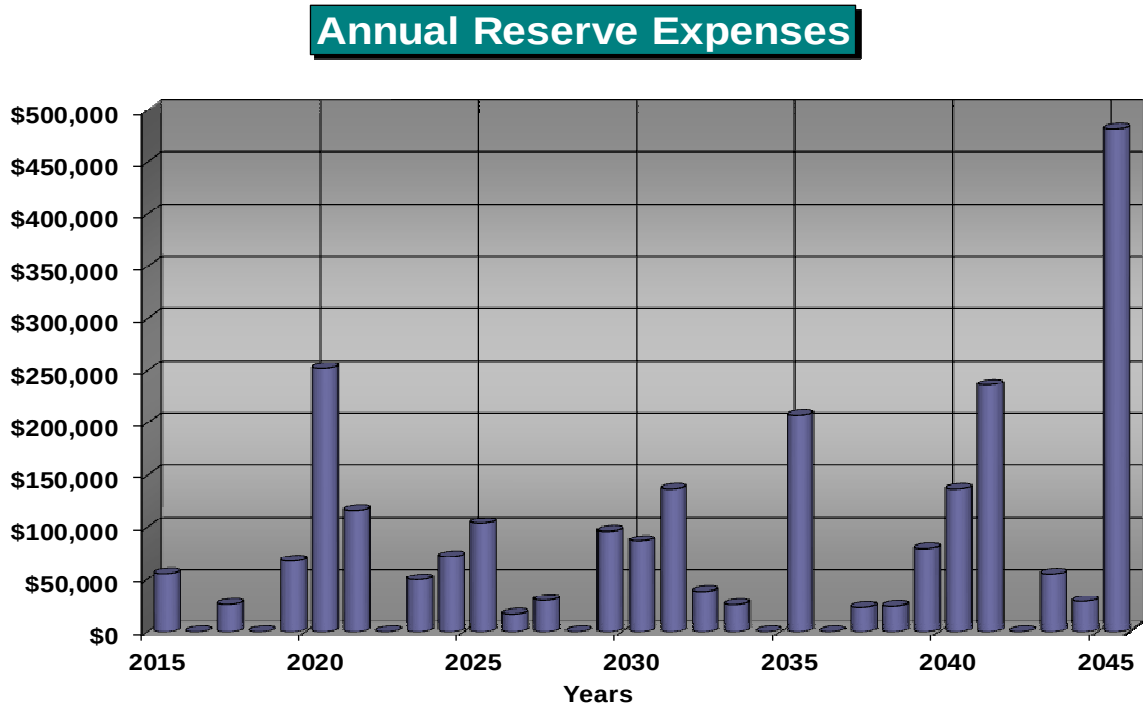


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about "near-term" projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years' worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $38,382 as-of the start of your Fiscal Year on July 1, 2015. This is based on your actual balance on 9/30/2014 of $38,382, no anticipated regular Reserve contributions, and no expenses projected through the end of your Fiscal Year. As of July 1, 2015, your Fully Funded Balance is computed to be $320,347 (see Table 3). This figure represents the deteriorated value of your Administrative Department components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 12% Funded. As indicated earlier in the Executive Summary, this represents a weak status.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of $5,500/month this 2015/2016 Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

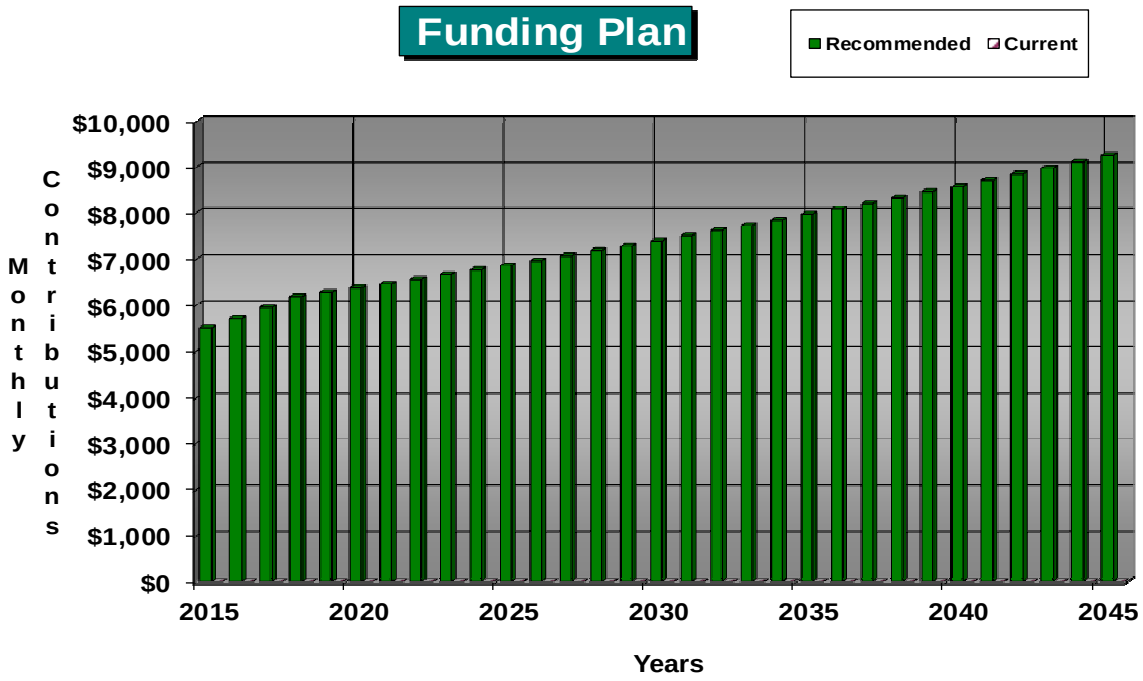


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

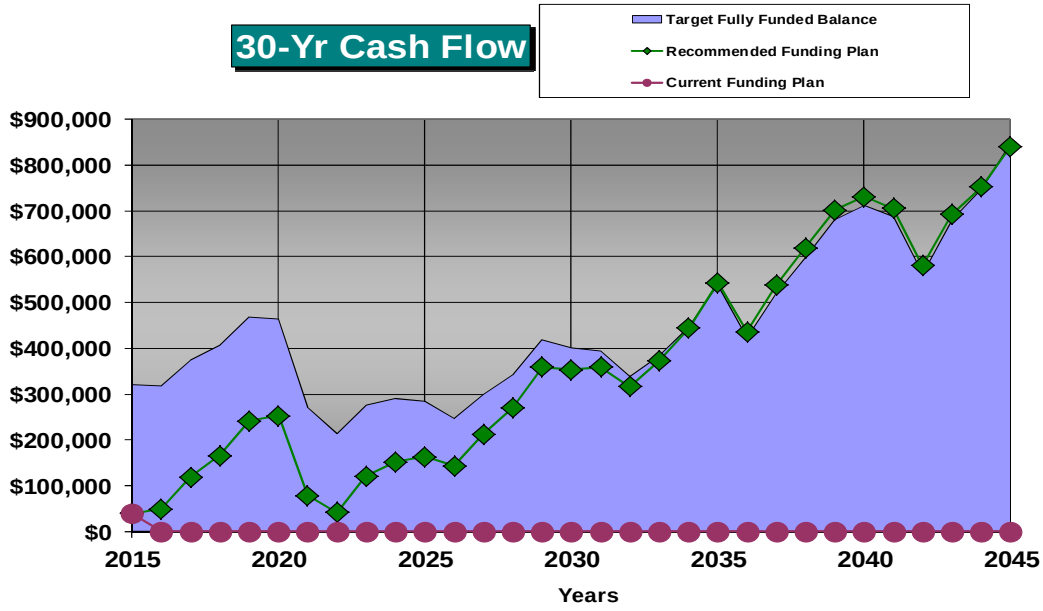


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

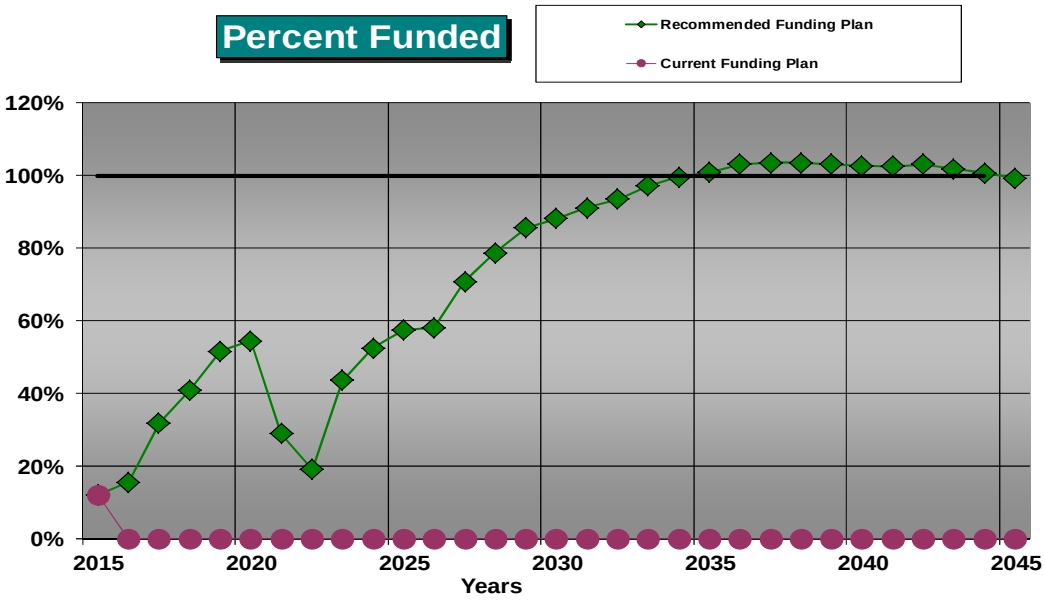


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Administrative Department Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the Administrative Department as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the Administrative Department is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the Administrative Department's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the Administrative Department (current cost divided by useful life). This presentation is not meant to cause clients to redistribute Administrative Department funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the Administrative Department Reserve Fund, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail

27003-0 ADMIN

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
202	Asphalt - Resurface	Approx 16,000 GSF	25	5	$72,000	$86,400
203	Asphalt - Seal/Repair	Approx 16,000 GSF	5	0	$4,000	$5,000
303	HVAC Condensers - Replace	(5) York Units	25	5	$22,500	$27,000
323	Street/Pole Lights - Replace	(4) Fixtures, 2 Heads ea.	40	17	$10,000	$12,000
509	Trellis - Replace	Approx 400 GSF	25	8	$10,000	$15,000
601	Carpet - Replace	Approx 270 GSY	15	5	$17,600	$21,900
909	Bathroom - Refurbish	(2) Bathrooms, 200 GSF	25	5	$6,000	$8,000
913	Kitchen - Refurbish	(4) Appliances	25	5	$8,000	$10,000
918	Office Furniture - Replace 50%	(29) Tables, (79) Chairs	10	4	$35,000	$43,000
940	Storage Cabinetry - Refurbish	Various Storage Cabinets	22	8	$10,000	$12,000
1009	Landscaping & Irrigation- Replenish	Approx 1.9 Acres	6	2	$10,000	$15,000
1110	Interior Surfaces - Repaint	Approx 4,750 GSF	15	5	$5,300	$6,400
1115	Exteriors - Repaint/Repair	Approx 2,000 GSF	10	8	$2,800	$3,400
1305	Tile Roof - Replace Underlayment	Approx 6,000 GSF	30	9	$50,000	$60,000
1312	Gutters/Downspouts - Replace	Approx 260 LF	30	5	$3,500	$4,500
1804	Internet/Wireless Systems - Replace	Various Systems and Wires	4	2	$11,000	$13,000
1812	Servers - Replace	(2) Servers	5	0	$18,000	$22,000
1819	Fire Alarm System - Replace	(1) Fire Alarm System	15	10	$8,500	$10,500
1829	Video/Sound Systems - Replace 50%	Video/Audio Systems	6	5	$11,000	$13,500
2400	Stuffer Machine - Replace	(1) Pitney Bowes Machine	8	4	$19,000	$23,000
2401	BizHub - Replace	(1) BizHub Machine	5	0	$28,300	$33,900
2411	Admin Software - Replace	Admin Software	10	6	$75,000	$95,000
22	Total Funded Components					

Table 3: Contribution and Fund Breakdown

27003-0 ADMIN

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
202	Asphalt - Resurface	25	5	$79,200	$63,360	$0.00	$396.36
203	Asphalt - Seal/Repair	5	0	$4,500	$4,500	$4,500.00	$112.60
303	HVAC Condensers - Replace	25	5	$24,750	$19,800	$0.00	$123.86
323	Street/Pole Lights - Replace	40	17	$11,000	$6,325	$0.00	$34.41
509	Trellis - Replace	25	8	$12,500	$8,500	$0.00	$62.56
601	Carpet - Replace	15	5	$19,750	$13,167	$0.00	$164.73
909	Bathroom - Refurbish	25	5	$7,000	$5,600	$0.00	$35.03
913	Kitchen - Refurbish	25	5	$9,000	$7,200	$0.00	$45.04
918	Office Furniture - Replace 50%	10	4	$39,000	$23,400	$0.00	$487.95
940	Storage Cabinetry - Refurbish	22	8	$11,000	$7,000	$0.00	$62.56
1009	Landscaping & Irrigation- Replenish	6	2	$12,500	$8,333	$0.00	$260.66
1110	Interior Surfaces - Repaint	15	5	$5,850	$3,900	$0.00	$48.79
1115	Exteriors - Repaint/Repair	10	8	$3,100	$620	$0.00	$38.79
1305	Tile Roof - Replace Underlayment	30	9	$55,000	$38,500	$0.00	$229.38
1312	Gutters/Downspouts - Replace	30	5	$4,000	$3,333	$0.00	$16.68
1804	Internet/Wireless Systems - Replace	4	2	$12,000	$6,000	$0.00	$375.34
1812	Servers - Replace	5	0	$20,000	$20,000	$20,000.00	$500.46
1819	Fire Alarm System - Replace	15	10	$9,500	$3,167	$0.00	$79.24
1829	Video/Sound Systems - Replace 50%	6	5	$12,250	$2,042	$0.00	$255.44
2400	Stuffer Machine - Replace	8	4	$21,000	$10,500	$0.00	$328.43
2401	BizHub - Replace	5	0	$31,100	$31,100	$13,882.00	$778.21
2411	Admin Software - Replace	10	6	$85,000	$34,000	$0.00	$1,063.47
22	Total Funded Components				$320,347	$38,382	$5,500

Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves

27003-0 ADMIN

Fiscal Year Beginning: 07/01/15

Interest:	**1.00%**	**Inflation:**	**3.0%**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Transfer Amnts	Interest Income	Projected Reserve Expenses
2015	$38,382	$320,347	12.0%	Weak		$66,000	$0	$438	$55,600
2016	$49,220	$317,968	15.5%	Weak	4.00%	$68,640	$0	$839	$0
2017	$118,699	$374,143	31.7%	Fair	4.00%	$71,386	$0	$1,420	$25,992
2018	$165,513	$406,632	40.7%	Fair	4.00%	$74,241	$0	$2,036	$0
2019	$241,790	$468,308	51.6%	Fair	1.50%	$75,355	$0	$2,468	$67,531
2020	$252,082	$463,762	54.4%	Fair	1.50%	$76,485	$0	$1,651	$252,026
2021	$78,192	$270,578	28.9%	Weak	1.50%	$77,632	$0	$594	$115,823
2022	$40,594	$213,462	19.0%	Weak	1.50%	$78,797	$0	$804	$0
2023	$120,195	$275,553	43.6%	Fair	1.50%	$79,979	$0	$1,360	$49,531
2024	$152,003	$290,160	52.4%	Fair	1.50%	$81,178	$0	$1,574	$71,763
2025	$162,993	$284,028	57.4%	Fair	1.50%	$82,396	$0	$1,531	$103,616
2026	$143,304	$246,675	58.1%	Fair	1.50%	$83,632	$0	$1,775	$16,957
2027	$211,754	$299,285	70.8%	Strong	1.50%	$84,886	$0	$2,403	$29,941
2028	$269,103	$341,981	78.7%	Strong	1.50%	$86,160	$0	$3,136	$0
2029	$358,398	$418,733	85.6%	Strong	1.50%	$87,452	$0	$3,557	$96,049
2030	$353,358	$400,852	88.2%	Strong	1.50%	$88,764	$0	$3,561	$86,623
2031	$359,060	$394,198	91.1%	Strong	1.50%	$90,095	$0	$3,375	$136,400
2032	$316,130	$338,191	93.5%	Strong	1.50%	$91,447	$0	$3,442	$38,429
2033	$372,590	$383,593	97.1%	Strong	1.50%	$92,819	$0	$4,080	$25,707
2034	$443,782	$445,707	99.6%	Strong	1.50%	$94,211	$0	$4,931	$0
2035	$542,924	$538,474	100.8%	Strong	1.50%	$95,624	$0	$4,894	$207,161
2036	$436,281	$423,030	103.1%	Strong	1.50%	$97,058	$0	$4,870	$0
2037	$538,210	$519,953	103.5%	Strong	1.50%	$98,514	$0	$5,786	$22,993
2038	$619,517	$598,626	103.5%	Strong	1.50%	$99,992	$0	$6,604	$24,176
2039	$701,937	$681,044	103.1%	Strong	1.50%	$101,492	$0	$7,163	$79,279
2040	$731,313	$711,860	102.7%	Strong	1.50%	$103,014	$0	$7,180	$136,305
2041	$705,202	$687,625	102.6%	Strong	1.50%	$104,559	$0	$6,423	$236,147
2042	$580,038	$562,670	103.1%	Strong	1.50%	$106,128	$0	$6,360	$0
2043	$692,525	$680,126	101.8%	Strong	1.50%	$107,720	$0	$7,221	$55,139
2044	$752,327	$747,331	100.7%	Strong	1.50%	$109,335	$0	$7,962	$28,868

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4) — 27003-0 ADMIN

	Fiscal Year	2015	2016	2017	2018	2019
	Starting Reserve Balance	$38,382	$49,220	$118,699	$165,513	$241,790
	Annual Reserve Contribution	$66,000	$68,640	$71,386	$74,241	$75,355
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$438	$839	$1,420	$2,036	$2,468
	Total Income	$104,820	$118,699	$191,505	$241,790	$319,613
#	Component					
202	Asphalt - Resurface	$0	$0	$0	$0	$0
203	Asphalt - Seal/Repair	$4,500	$0	$0	$0	$0
303	HVAC Condensers - Replace	$0	$0	$0	$0	$0
323	Street/Pole Lights - Replace	$0	$0	$0	$0	$0
509	Trellis - Replace	$0	$0	$0	$0	$0
601	Carpet - Replace	$0	$0	$0	$0	$0
909	Bathroom - Refurbish	$0	$0	$0	$0	$0
913	Kitchen - Refurbish	$0	$0	$0	$0	$0
918	Office Furniture - Replace 50%	$0	$0	$0	$0	$43,895
940	Storage Cabinetry - Refurbish	$0	$0	$0	$0	$0
1009	Landscaping & Irrigation- Replenish	$0	$0	$13,261	$0	$0
1110	Interior Surfaces - Repaint	$0	$0	$0	$0	$0
1115	Exteriors - Repaint/Repair	$0	$0	$0	$0	$0
1305	Tile Roof - Replace Underlayment	$0	$0	$0	$0	$0
1312	Gutters/Downspouts - Replace	$0	$0	$0	$0	$0
1804	Internet/Wireless Systems - Replace	$0	$0	$12,731	$0	$0
1812	Servers - Replace	$20,000	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$0	$0	$0	$0	$0
1829	Video/Sound Systems - Replace 50%	$0	$0	$0	$0	$0
2400	Stuffer Machine - Replace	$0	$0	$0	$0	$23,636
2401	BizHub - Replace	$31,100	$0	$0	$0	$0
2411	Admin Software - Replace	$0	$0	$0	$0	$0
	Total Expenses	$55,600	$0	$25,992	$0	$67,531
	Ending Reserve Balance:	$49,220	$118,699	$165,513	$241,790	$252,082

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9) — 27003-0 ADMIN

	Fiscal Year	2020	2021	2022	2023	2024
	Starting Reserve Balance	$252,082	$78,192	$40,594	$120,195	$152,003
	Annual Reserve Contribution	$76,485	$77,632	$78,797	$79,979	$81,178
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$1,651	$594	$804	$1,360	$1,574
	Total Income	$330,218	$156,418	$120,195	$201,534	$234,756
#	Component					
202	Asphalt - Resurface	$91,815	$0	$0	$0	$0
203	Asphalt - Seal/Repair	$5,217	$0	$0	$0	$0
303	HVAC Condensers - Replace	$28,692	$0	$0	$0	$0
323	Street/Pole Lights - Replace	$0	$0	$0	$0	$0
509	Trellis - Replace	$0	$0	$0	$15,835	$0
601	Carpet - Replace	$22,896	$0	$0	$0	$0
909	Bathroom - Refurbish	$8,115	$0	$0	$0	$0
913	Kitchen - Refurbish	$10,433	$0	$0	$0	$0
918	Office Furniture - Replace 50%	$0	$0	$0	$0	$0
940	Storage Cabinetry - Refurbish	$0	$0	$0	$13,934	$0
1009	Landscaping & Irrigation- Replenish	$0	$0	$0	$15,835	$0
1110	Interior Surfaces - Repaint	$6,782	$0	$0	$0	$0
1115	Exteriors - Repaint/Repair	$0	$0	$0	$3,927	$0
1305	Tile Roof - Replace Underlayment	$0	$0	$0	$0	$71,763
1312	Gutters/Downspouts - Replace	$4,637	$0	$0	$0	$0
1804	Internet/Wireless Systems - Replace	$0	$14,329	$0	$0	$0
1812	Servers - Replace	$23,185	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$0	$0	$0	$0	$0
1829	Video/Sound Systems - Replace 50%	$14,201	$0	$0	$0	$0
2400	Stuffer Machine - Replace	$0	$0	$0	$0	$0
2401	BizHub - Replace	$36,053	$0	$0	$0	$0
2411	Admin Software - Replace	$0	$101,494	$0	$0	$0
	Total Expenses	$252,026	$115,823	$0	$49,531	$71,763
	Ending Reserve Balance:	$78,192	$40,594	$120,195	$152,003	$162,993

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14) — 27003-0 ADMIN

	Fiscal Year	2025	2026	2027	2028	2029
	Starting Reserve Balance	$162,993	$143,304	$211,754	$269,103	$358,398
	Annual Reserve Contribution	$82,396	$83,632	$84,886	$86,160	$87,452
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$1,531	$1,775	$2,403	$3,136	$3,557
	Total Income	$246,920	$228,711	$299,044	$358,398	$449,408
#	Component					
202	Asphalt - Resurface	$0	$0	$0	$0	$0
203	Asphalt - Seal/Repair	$6,048	$0	$0	$0	$0
303	HVAC Condensers - Replace	$0	$0	$0	$0	$0
323	Street/Pole Lights - Replace	$0	$0	$0	$0	$0
509	Trellis - Replace	$0	$0	$0	$0	$0
601	Carpet - Replace	$0	$0	$0	$0	$0
909	Bathroom - Refurbish	$0	$0	$0	$0	$0
913	Kitchen - Refurbish	$0	$0	$0	$0	$0
918	Office Furniture - Replace 50%	$0	$0	$0	$0	$58,991
940	Storage Cabinetry - Refurbish	$0	$0	$0	$0	$0
1009	Landscaping & Irrigation- Replenish	$0	$0	$0	$0	$18,907
1110	Interior Surfaces - Repaint	$0	$0	$0	$0	$0
1115	Exteriors - Repaint/Repair	$0	$0	$0	$0	$0
1305	Tile Roof - Replace Underlayment	$0	$0	$0	$0	$0
1312	Gutters/Downspouts - Replace	$0	$0	$0	$0	$0
1804	Internet/Wireless Systems - Replace	$16,127	$0	$0	$0	$18,151
1812	Servers - Replace	$26,878	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$12,767	$0	$0	$0	$0
1829	Video/Sound Systems - Replace 50%	$0	$16,957	$0	$0	$0
2400	Stuffer Machine - Replace	$0	$0	$29,941	$0	$0
2401	BizHub - Replace	$41,796	$0	$0	$0	$0
2411	Admin Software - Replace	$0	$0	$0	$0	$0
	Total Expenses	$103,616	$16,957	$29,941	$0	$96,049
	Ending Reserve Balance:	$143,304	$211,754	$269,103	$358,398	$353,358

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19) — 27003-0 ADMIN

	Fiscal Year	2030	2031	2032	2033	2034
	Starting Reserve Balance	$353,358	$359,060	$316,130	$372,590	$443,782
	Annual Reserve Contribution	$88,764	$90,095	$91,447	$92,819	$94,211
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$3,561	$3,375	$3,442	$4,080	$4,931
	Total Income	$445,683	$452,530	$411,019	$469,489	$542,924
#	Component					
202	Asphalt - Resurface	$0	$0	$0	$0	$0
203	Asphalt - Seal/Repair	$7,011	$0	$0	$0	$0
303	HVAC Condensers - Replace	$0	$0	$0	$0	$0
323	Street/Pole Lights - Replace	$0	$0	$18,181	$0	$0
509	Trellis - Replace	$0	$0	$0	$0	$0
601	Carpet - Replace	$0	$0	$0	$0	$0
909	Bathroom - Refurbish	$0	$0	$0	$0	$0
913	Kitchen - Refurbish	$0	$0	$0	$0	$0
918	Office Furniture - Replace 50%	$0	$0	$0	$0	$0
940	Storage Cabinetry - Refurbish	$0	$0	$0	$0	$0
1009	Landscaping & Irrigation- Replenish	$0	$0	$0	$0	$0
1110	Interior Surfaces - Repaint	$0	$0	$0	$0	$0
1115	Exteriors - Repaint/Repair	$0	$0	$0	$5,278	$0
1305	Tile Roof - Replace Underlayment	$0	$0	$0	$0	$0
1312	Gutters/Downspouts - Replace	$0	$0	$0	$0	$0
1804	Internet/Wireless Systems - Replace	$0	$0	$0	$20,429	$0
1812	Servers - Replace	$31,159	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$0	$0	$0	$0	$0
1829	Video/Sound Systems - Replace 50%	$0	$0	$20,247	$0	$0
2400	Stuffer Machine - Replace	$0	$0	$0	$0	$0
2401	BizHub - Replace	$48,453	$0	$0	$0	$0
2411	Admin Software - Replace	$0	$136,400	$0	$0	$0
	Total Expenses	$86,623	$136,400	$38,429	$25,707	$0
	Ending Reserve Balance:	$359,060	$316,130	$372,590	$443,782	$542,924

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24) — 27003-0 ADMIN

	Fiscal Year	2035	2036	2037	2038	2039
	Starting Reserve Balance	$542,924	$436,281	$538,210	$619,517	$701,937
	Annual Reserve Contribution	$95,624	$97,058	$98,514	$99,992	$101,492
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$4,894	$4,870	$5,786	$6,604	$7,163
	Total Income	$643,442	$538,210	$642,510	$726,113	$810,592
#	Component					
202	Asphalt - Resurface	$0	$0	$0	$0	$0
203	Asphalt - Seal/Repair	$8,128	$0	$0	$0	$0
303	HVAC Condensers - Replace	$0	$0	$0	$0	$0
323	Street/Pole Lights - Replace	$0	$0	$0	$0	$0
509	Trellis - Replace	$0	$0	$0	$0	$0
601	Carpet - Replace	$35,671	$0	$0	$0	$0
909	Bathroom - Refurbish	$0	$0	$0	$0	$0
913	Kitchen - Refurbish	$0	$0	$0	$0	$0
918	Office Furniture - Replace 50%	$0	$0	$0	$0	$79,279
940	Storage Cabinetry - Refurbish	$0	$0	$0	$0	$0
1009	Landscaping & Irrigation- Replenish	$22,576	$0	$0	$0	$0
1110	Interior Surfaces - Repaint	$10,566	$0	$0	$0	$0
1115	Exteriors - Repaint/Repair	$0	$0	$0	$0	$0
1305	Tile Roof - Replace Underlayment	$0	$0	$0	$0	$0
1312	Gutters/Downspouts - Replace	$0	$0	$0	$0	$0
1804	Internet/Wireless Systems - Replace	$0	$0	$22,993	$0	$0
1812	Servers - Replace	$36,122	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$0	$0	$0	$0	$0
1829	Video/Sound Systems - Replace 50%	$0	$0	$0	$24,176	$0
2400	Stuffer Machine - Replace	$37,928	$0	$0	$0	$0
2401	BizHub - Replace	$56,170	$0	$0	$0	$0
2411	Admin Software - Replace	$0	$0	$0	$0	$0
	Total Expenses	$207,161	$0	$22,993	$24,176	$79,279
	Ending Reserve Balance:	$436,281	$538,210	$619,517	$701,937	$731,313

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29) — 27003-0 ADMIN

	Fiscal Year	2040	2041	2042	2043	2044
	Starting Reserve Balance	$731,313	$705,202	$580,038	$692,525	$752,327
	Annual Reserve Contribution	$103,014	$104,559	$106,128	$107,720	$109,335
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$7,180	$6,423	$6,360	$7,221	$7,962
	Total Income	$841,506	$816,184	$692,525	$807,466	$869,625
#	Component					
202	Asphalt - Resurface	$0	$0	$0	$0	$0
203	Asphalt - Seal/Repair	$9,422	$0	$0	$0	$0
303	HVAC Condensers - Replace	$0	$0	$0	$0	$0
323	Street/Pole Lights - Replace	$0	$0	$0	$0	$0
509	Trellis - Replace	$0	$0	$0	$0	$0
601	Carpet - Replace	$0	$0	$0	$0	$0
909	Bathroom - Refurbish	$0	$0	$0	$0	$0
913	Kitchen - Refurbish	$0	$0	$0	$0	$0
918	Office Furniture - Replace 50%	$0	$0	$0	$0	$0
940	Storage Cabinetry - Refurbish	$0	$0	$0	$0	$0
1009	Landscaping & Irrigation- Replenish	$0	$26,957	$0	$0	$0
1110	Interior Surfaces - Repaint	$0	$0	$0	$0	$0
1115	Exteriors - Repaint/Repair	$0	$0	$0	$7,093	$0
1305	Tile Roof - Replace Underlayment	$0	$0	$0	$0	$0
1312	Gutters/Downspouts - Replace	$0	$0	$0	$0	$0
1804	Internet/Wireless Systems - Replace	$0	$25,879	$0	$0	$0
1812	Servers - Replace	$41,876	$0	$0	$0	$0
1819	Fire Alarm System - Replace	$19,891	$0	$0	$0	$0
1829	Video/Sound Systems - Replace 50%	$0	$0	$0	$0	$28,868
2400	Stuffer Machine - Replace	$0	$0	$0	$48,046	$0
2401	BizHub - Replace	$65,116	$0	$0	$0	$0
2411	Admin Software - Replace	$0	$183,310	$0	$0	$0
	Total Expenses	$136,305	$236,147	$0	$55,139	$28,868
	Ending Reserve Balance:	$705,202	$580,038	$692,525	$752,327	$840,757

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the Administrative Department change each year, this Reserve Study is by nature a "one-year" document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Administrative Department Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, and physical factors. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the CSD's situation.

We have relied upon the client to provide the current (or projected) Administrative Department Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Administrative Department Reserve Fund. In addition, we have considered the CSD's representation of current and historical Administrative Department Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our "Site Inspection Notes". No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves' liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the CSD to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced attorney specializing in CSD law.
Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU British Thermal Unit (a standard unit of energy)
DIA Diameter
GSF Gross Square Feet (area)
GSY Gross Square Yards (area)
HP Horsepower
LF Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for a Administrative Department total.

FFB = (Current Cost X Effective Age) / Useful Life

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a component can be expected to serve its intended function.

Photographic Inventory Appendix

Comp # : 202 **Asphalt - Resurface** Quantity: Approx 16,000 GSF

Location : Parking lot

Funded? : Yes

History :

Evaluation : We recommend having surface sealed and repaired as directed in component #203; regular cycles of seal coating are recommended for maximum design life. As routine maintenance, keep roadway clean, free of debris and well drained; fill/seal cracks to prevent water from penetrating into the sub-base and accelerating damage. Even with ordinary care and maintenance, plan for eventual large scale resurface at roughly the time frame below. As timing draws nearer, consult with asphalt vendor/consultant for recommendations and complete scope.

Useful Life:
25 years

Remaining Life:
5 years

Best Case: $72,000 Worst Case: $86,400

Lower allowance to resurface Higher allowance to resurface

Cost Source: ARSF Cost Database

Comp # : 203 **Asphalt - Seal/Repair** Quantity: Approx 16,000 GSF

Location : Parking lot

Funded? : Yes

History :

Evaluation : Loss of seal in isolated/most/majority of areas and moderate/normal/severe surface wear. Stress cracks and granule exposure observed. Overall poor condition. Seal asphalt every 4-5 years to protect the integrity and prolong the need for costly resurfacing.

Useful Life:
5 years

Remaining Life:
0 years

Best Case: $4,000 Worst Case: $5,000

Lower allowance to seal/repair Higher allowance to seal/repair

Cost Source: ARSF Cost Database

Comp # : 303 **HVAC Condensers - Replace** Quantity: (5) York Units

Location : Admin building

Funded? : Yes

History :

Evaluation : With proactive service and maintenance, useful life can often be extended - have service vendor evaluate continuously and adjust useful life/remaining useful life as indicated within reserve study updates. As routine maintenance, regular professional inspections and maintenance will help to extend useful life cycles and achieve lowest annualized costs. Treat local repairs as a general operating and maintenance expense. Funding below is for future full replacement.

Useful Life:
25 years

Remaining Life:
5 years

Best Case: $22,500 Worst Case: $27,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 315 **Computer Equipment - Replace** Quantity: Various Computer Equip.

Location : Admin building

Funded? : No . Replacement is handled as an operating expense.

History :

Evaluation : Replacement is handled as an Operating expense. No Reserve funding necessary at this time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp # : 319 **Laptops - Replace** Quantity: Various Laptops

Location : Admin building

Funded? : No . Replacement is handled as an operating expense.

History :

Evaluation : Replacement is handled as an Operating expense. No Reserve funding necessary at this time.

Useful Life:

Remaining Life:

Photo Not Available

Best Case: Worst Case:

Cost Source:

Comp # : 323 **Street/Pole Lights - Replace** Quantity: (4) Fixtures, 2 Heads ea.

Location : Parking lot

Funded? : Yes

History :

Evaluation : Lights were inspected during daylight hours but are assumed to be functional. Unless otherwise noted, bulbs are expected to be replaced as needed as an Operating expense. Replacement should be considered at the approximate interval shown below to ensure good function and maintain good appearance in the common areas.

Useful Life:
40 years

Remaining Life:
17 years

Best Case: $10,000 Worst Case: $12,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 509 **Trellis - Replace** Quantity: Approx 400 GSF

Location : Admin building

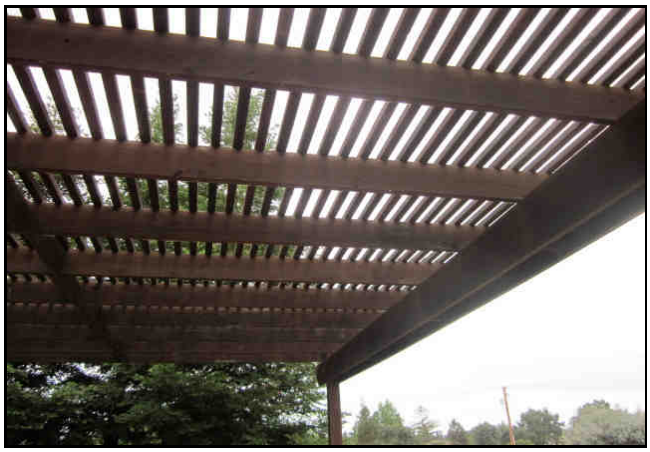
Funded? : Yes

History :

Evaluation : As routine maintenance, inspect regularly and repair as needed from general Operating funds. Clean and paint/stain along with other larger projects (building exteriors, fencing, etc.) or as general maintenance to preserve the appearance of the material and extend its useful life. With ordinary care and maintenance, plan for replacement at roughly the interval indicated below due to deterioration that will result from constant exposure. Local repairs between large scale replacements can be funded as general maintenance item.

Useful Life:
25 years

Remaining Life:
8 years



Best Case: $10,000 Worst Case: $15,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 601 **Carpet - Replace** Quantity: Approx 270 GSY

Location : Admin building

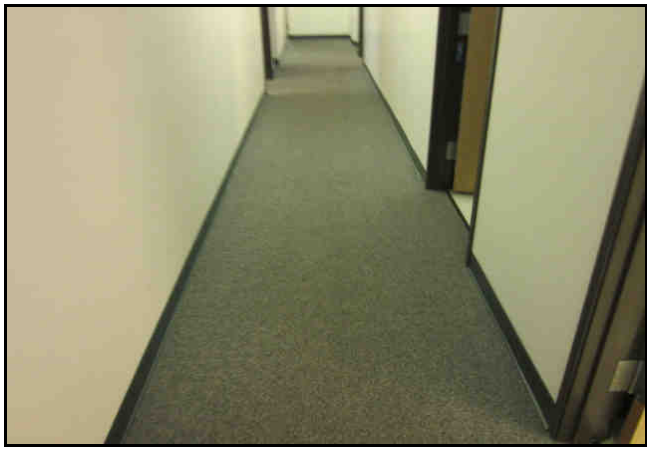
Funded? : Yes

History :

Evaluation : Carpeting was noted to be intact and in generally fair condition. Plan to replace at the time frame below, best timed after repainting (component #1110). Wide variety of type and quality available; a mid-range funding allowance is factored below for planning purposes. As part of ongoing maintenance program, vacuum regularly and professionally clean as needed.

Useful Life:
15 years

Remaining Life:
5 years



Best Case: $17,600 Worst Case: $21,900

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 909 **Bathroom - Refurbish** Quantity: (2) Bathrooms, 200 GSF

Location : Admin building

Funded? : Yes

History :

Evaluation : Useful life is dependent greatly on the level of aesthetics desired by the CSD. This component provides an allowance for general refurbishment of the bathrooms at the interval indicated below.

Useful Life:
25 years

Remaining Life:
5 years

Best Case: $6,000 Worst Case: $8,000

Lower allowance to refurbish Higher allowance to refurbish

Cost Source: ARSF Cost Database

Comp # : 913 **Kitchen - Refurbish** Quantity: (4) Appliances

Location : Admin building

Funded? : Yes

History :

Evaluation : (1) Fridge, (1) microwave, (1) dishwasher, and (1) stove/oven. Fair condition. Useful life is dependent greatly on the level of aesthetics desired by the CSD. Cost is dependent on the replacement sections made by the CSD. This component provides funding for general refurbishment and replacement of the appliances.

Useful Life:
25 years

Remaining Life:
5 years

Best Case: $8,000 Worst Case: $10,000

Lower allowance to refurbish Higher allowance to refurbish

Cost Source: ARSF Cost Database

Comp # : 918 **Office Furniture - Replace 50%** Quantity: (29) Tables, (79) Chairs

Location : Admin building

Funded? : Yes

History :

Evaluation : Office furniture and equipment appear to be in fair condition. Anticipate periodic replacement. Funding for replacement of 50% of the furniture every 10 years.

Useful Life:
10 years

Remaining Life:
4 years

Best Case: $35,000 Worst Case: $43,000

Lower allowance to replace 50% Higher allowance to replace 50%

Cost Source: ARSF Cost Database

Comp # : 940 **Storage Cabinetry - Refurbish** Quantity: Various Storage Cabinets

Location : Admin building

Funded? : Yes

History :

Evaluation : Generally functional condition with no damage or other indication that replacement will be needed within the foreseeable future.

Useful Life:
22 years

Remaining Life:
8 years

Best Case: $10,000 Worst Case: $12,000

Lower allowance to refurbish Higher allowance to refurbish

Cost Source: ARSF Cost Database

Comp # : 1009 **Landscaping & Irrigation- Replenish** Quantity: Approx 1.9 Acres

Location : Admin building

Funded? : Yes

History :

Evaluation : Combination of turf, ground cover, shrubs and trees. Selected areas are periodically upgraded and plant material replaced. Cost and timing of replacement can vary greatly, but plan on 6 year interval.

Useful Life:
6 years

Remaining Life:
2 years

Best Case: $10,000 Worst Case: $15,000

Lower allowance to replenish Higher allowance to replenish

Cost Source: ARSF Cost Database

Comp # : 1110 **Interior Surfaces - Repaint** Quantity: Approx 4,750 GSF

Location : Admin building

Funded? : Yes

History :

Evaluation : Regular cycles of paint are recommended to maintain appearance; best timed prior to carpet replacement (component #601). Keep touchup paint on site for in between cycle projects.

Useful Life:
15 years

Remaining Life:
5 years

Best Case: $5,300 Worst Case: $6,400

Lower allowance to repaint Higher allowance to repaint

Cost Source: ARSF Cost Database

Comp # : 1115 Exteriors - Repaint/Repair Quantity: Approx 2,000 GSF

Location : Admin building

Funded? : Yes

History : Painted in 2013

Evaluation : Overall good to fair condition. Painting recommended every 8-10 years to preserve the surfaces of the stucco and maintain appearance. Future painting should be done in conjunction with other exterior surfaces.

Useful Life:
10 years

Remaining Life:
8 years

Best Case: $2,800 Worst Case: $3,400

Lower allowance to repaint/repair Higher allowance to repaint/repair

Cost Source: ARSF Cost Database

Comp # : 1305 Tile Roof - Replace Underlayment Quantity: Approx 6,000 GSF

Location : Admin building

Funded? : Yes

History : Original, 1994

Evaluation : No expectation to replace the tiles themselves under normal circumstances. However over an extended period of time the waterproof underlayment will become deteriorated and require replacement. The original tiles are removed, the underlayment replaced and the tiles are relayed. In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Fees for these services vary based on the size of the project and detail required by the client, and have not been included in the cost used for this component.

Useful Life:
30 years

Remaining Life:
9 years

Best Case: $50,000 Worst Case: $60,000

Lower allowance to replace underlayment Higher allowance to replace underlayment

Cost Source: ARSF Cost Database

Comp # : 1312 Gutters/Downspouts - Replace Quantity: Approx 260 LF

Location : Perimeter of roof, Admin building

Funded? : Yes

History :

Evaluation : Inspect regularly, keep gutters and downspouts free of debris to ensure water evacuating from rooftops as designed and repair as needed from general operating funds. Best to plan for replacement at the same intervals as roof replacement cost efficiency.

Useful Life:
30 years

Remaining Life:
5 years

Best Case: $3,500 Worst Case: $4,500

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1804 Internet/Wireless Systems - Replace Quantity: Various Systems and Wires

Location : Admin building

Funded? : Yes

History :

Evaluation : Due to technology, anticipate the need to replace this system every few years.

Useful Life:
4 years

Remaining Life:
2 years

Best Case: $11,000 Worst Case: $13,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1812 Servers - Replace Quantity: (2) Servers

Location : Server room

Funded? : Yes

History : 2007

Evaluation : (2) Servers: (SRV-1) and (NAS-1) Reported that this server needs to be replaced.

Useful Life:
5 years

Remaining Life:
0 years

Best Case: $18,000 Worst Case: $22,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1819 Fire Alarm System - Replace Quantity: (1) Fire Alarm System

Location : Admin building

Funded? : Yes

History : Inspection in 2011

Evaluation : Panel was not tested for functionality during site inspection. Unless otherwise noted, fire alarm panel is assumed to have been designed and installed properly and adheres to all relevant building codes. Regular testing and inspections should be conducted as an Operating expense. In many cases, manufacturers discontinue support of panel and parts/service availability may therefore be limited as the panel ages. Research and experience suggests planning for replacement at roughly the time frame below. Begin formulation of specifications and obtain estimates in advance of need - replace proactively to ensure safety.

Useful Life:
15 years

Remaining Life:
10 years

Best Case: $8,500 Worst Case: $10,500

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1829 **Video/Sound Systems - Replace 50%** Quantity: Video/Audio Systems

Location : Admin building

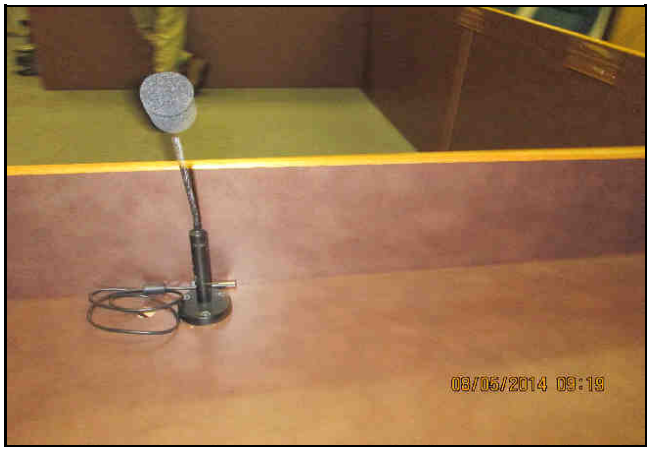
Funded? : Yes

History : New speakers system added in 2014

Evaluation : No expectation to replace the entire system at one time. This component funds to replace 1/2 of the system every few years.

Useful Life:
6 years

Remaining Life:
5 years



Best Case: $11,000 Worst Case: $13,500

Lower allowance to replace 50% Higher allowance to replace 50%

Cost Source: ARSF Cost Database

Comp # : 2400 **Stuffer Machine - Replace** Quantity: (1) Pitney Bowes Machine

Location : Admin building

Funded? : Yes

History :

Evaluation : Functional, no issues. We recommend replacing the machine at roughly the interval below.

Useful Life:
8 years

Remaining Life:
4 years

Best Case: $19,000 Worst Case: $23,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 2401 BizHub - Replace Quantity: (1) BizHub Machine

Location : Admin building

Funded? : Yes

History : 12/2009

Evaluation : (1) BizHub Copier; Functional, no issues. We recommend replacing the machine at roughly the interval below.

Useful Life:
5 years

Remaining Life:
0 years

Best Case: $28,300 Worst Case: $33,900

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 2411 Admin Software - Replace Quantity: Admin Software

Location : Admin building

Funded? : Yes

History :

Evaluation : Accounting and utility billing software. This component provides funding to replace/upgrade admin software at roughly the interval below. Update as future needs dictate.

Useful Life:
10 years

Remaining Life:
6 years

Photo Not Available

Best Case: $75,000 Worst Case: $95,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

San Francisco Office
268 Bush Street #3434
San Francisco, CA 94104

ASSOCIATION RESERVES
San Francisco, LLC
Est. 1986
Reserve Studies for Community Associations

tel 877/618.1955
415/694.8931
916/912.4188
fax 415/762.3662
www.reservestudy.com

"Full" Reserve Study

RMCSD – Drainage Department

Rancho Murieta, CA

Report #: 27003-0 DRAINAGE
For Period Beginning: July 1, 2015
Expires: June 30, 2016

Date Prepared: January 23, 2015

DEREK ECKERT
CAI-RS
00114
DESIGNATION
RESERVE SPECIALIST

Hello, and welcome to your Reserve Study!

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

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

In this Report, you will find…

1) A List of What you're Reserving For

2) An Evaluation of your Reserve Fund Size and Strength

3) A Recommended Multi-Year Reserve Funding Plan

More Questions?

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

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Table of Contents

3- Minute Executive Summary

Name: **RMCSD – Drainage Department** **Assoc. #: 27003-0 DRAINAGE**

Location: **Rancho Murieta, CA**
# of Units: **1**
Report Period: **July 1, 2015 through June 30, 2016**

Results as-of 7/1/2015:

Projected Starting Reserve Balance:	**$55,805**
Fully Funded Reserve Balance:	**$1,038,458**
Average Reserve Deficit (Surplus) Per Unit:	**$982,653**
Percent Funded:	**5.4%**
Recommended 2015/16 monthly Reserve Contribution:	**$10,000**

Most Recent Reserve Contribution Rate:..... $0

Economic Assumptions:
Net Annual "After Tax" Interest Earnings Accruing to Reserves.....1.00%
Annual Inflation Rate.....3.00%

- **This is a "Full" Reserve Study (original, created "from scratch").**
- **The information in this Reserve Study is based on our site inspection on August 4, 2014.**
- **This Reserve Study was prepared under the supervision of a credentialed Reserve Specialist (RS).**
- **Because your Reserve Fund is at 5.4% Funded, this means the CSD's Drainage Department deferred maintenance risk & need for a transfer of funds is currently high.**
- **Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".**
- **Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.**
- **No assets appropriate for Reserve designation were excluded.**

Table 1: Executive Summary					27003-0 DRAINAGE
#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
312	Storm water Outfall Struct. Repair	30	7	$815,750	$1,003,270
501	Levees - Repair	100	62	$400,000	$2,500,161
1005	Drain Valve - Replace	20	12	$55,000	$78,417
1005	Equipment - Replace	10	5	$16,500	$19,128
1009	Drainage Culverts - Repair/Replace	5	1	$93,500	$96,305
1011	Main Lift South - Repair/Replace	20	10	$125,000	$167,990
1014	FAA Storm Water - Repair/Replace	20	10	$30,000	$40,317
1904	Basin 5 - Repair	25	15	$190,000	$296,014
2113	CIA Ditch - Maintain	15	10	$7,500	$10,079
9	Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in initial year.
Note 2: a Useful Life of “N/A” means a one-time expense, not expected to repeat.

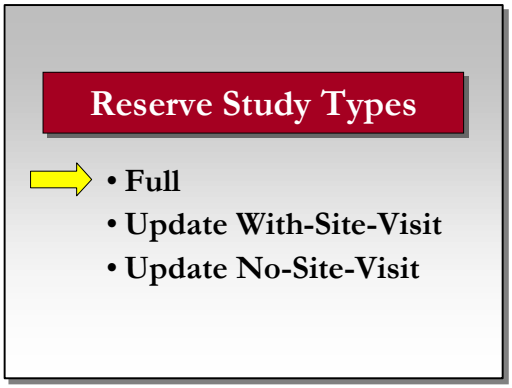
Introduction

A Reserve Study is the art and science of anticipating, and preparing for, a CSD's major repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the Drainage Department is obligated to maintain. Based on that List and your starting balance we computed the Drainage Department's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing deterioration.

Methodology



First we establish what the projected expenses are, then we determine the Drainage Department's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established CSD precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List "from scratch".

Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a Drainage Department maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a "surprise" which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include "lifetime" components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

1) Visual Inspection (observed wear and age)
2) Association Reserves database of experience
3) Client Component History
4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order…

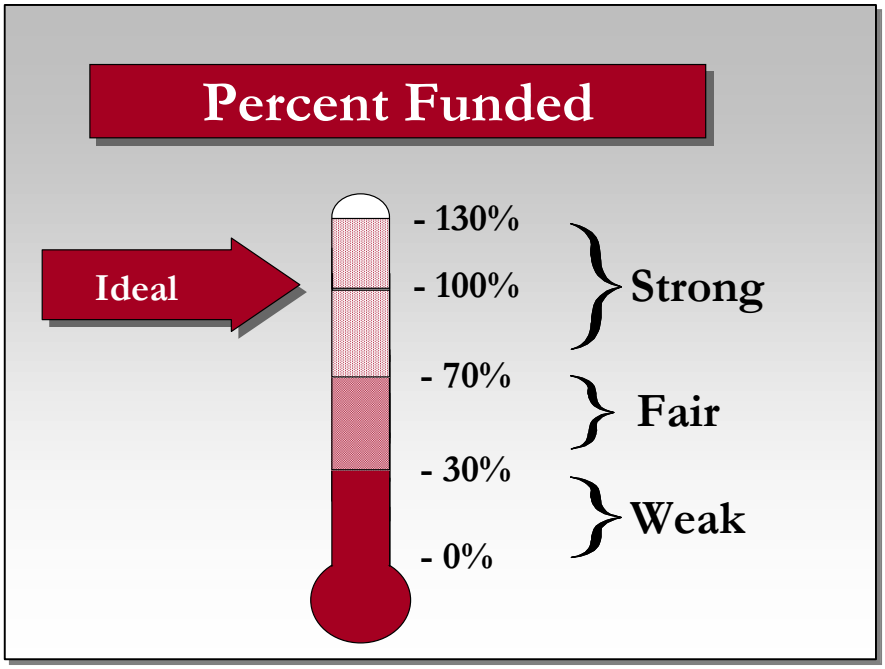
1) Client Cost History
2) Comparison to Association Reserves database of work done at similar CSDs
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

1) Calculate the Drainage Department's Fully Funded Balance (FFB).
2) Compare to the Drainage Department Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the Drainage Department increase, but shrinks when projects are accomplished and the Reserve needs of the Drainage Department decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



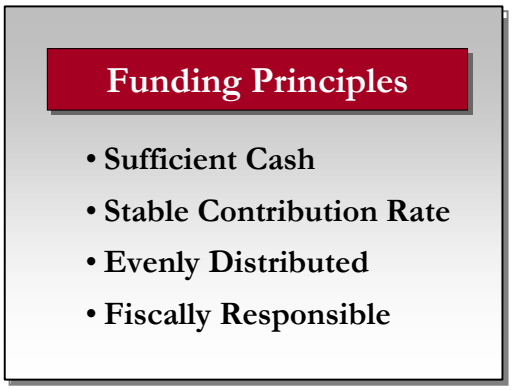
Deferred maintenance and the need for a transfer of funds are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your Drainage Department is for upcoming Reserve expenses.

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their "fair share" of the CSD's Reserve expenses (this means we recommend a transfer of funds only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and "safe" for Board Members to recommend to their CSD.

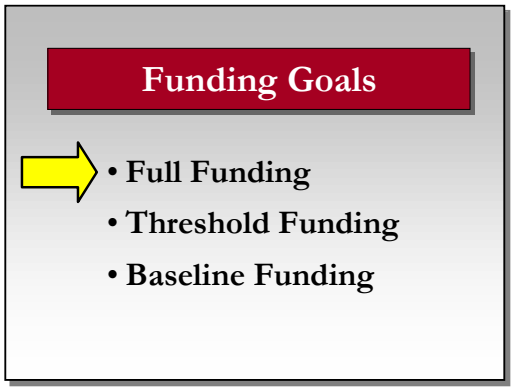


What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called "Full Funding" the Reserves (100% Funded). As each asset ages and becomes "used up", the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, CSDs in the 100% range rarely experience deferred maintenance or the need for a transfer of funds.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these CSD, deterioration occurs without matching Reserve contributions. With a low Percent Funded, deferred maintenance and the needs for a transfer of funds are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.



Site Inspection Notes

During our site visit on August 4, 2014, we started with a brief meeting with Paul Siebensohn (Director of Field Operations), and then started the site inspection beginning with the drainage culverts. We visually inspected the property, and were able to see most drainage department areas.

Projected Expenses

The figure below shows the array of the projected future expenses at your CSD. All expenses are based on the average of our Best Case and Worst Case projections, inflated appropriately for future years.

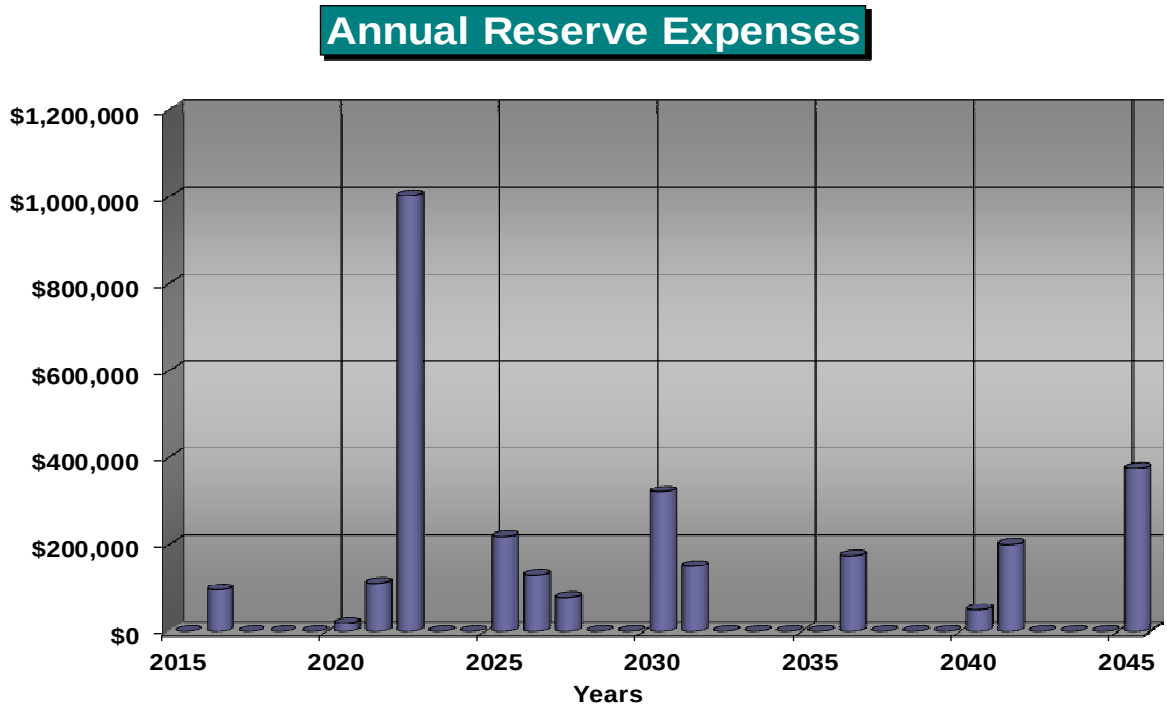


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years’ worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $55,805 as-of the start of your Fiscal Year on July 1, 2015. This is based on your actual balance on 9/30/14 of $55,805, no anticipated regular Reserve contributions, and no expenses projected through the end of your Fiscal Year. As of July 1, 2015, your Fully Funded Balance is computed to be $1,038,458 (see Table 3). This figure represents the deteriorated value of your Drainage Department components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 5% Funded.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of $10,000/month this 2015/2016 Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

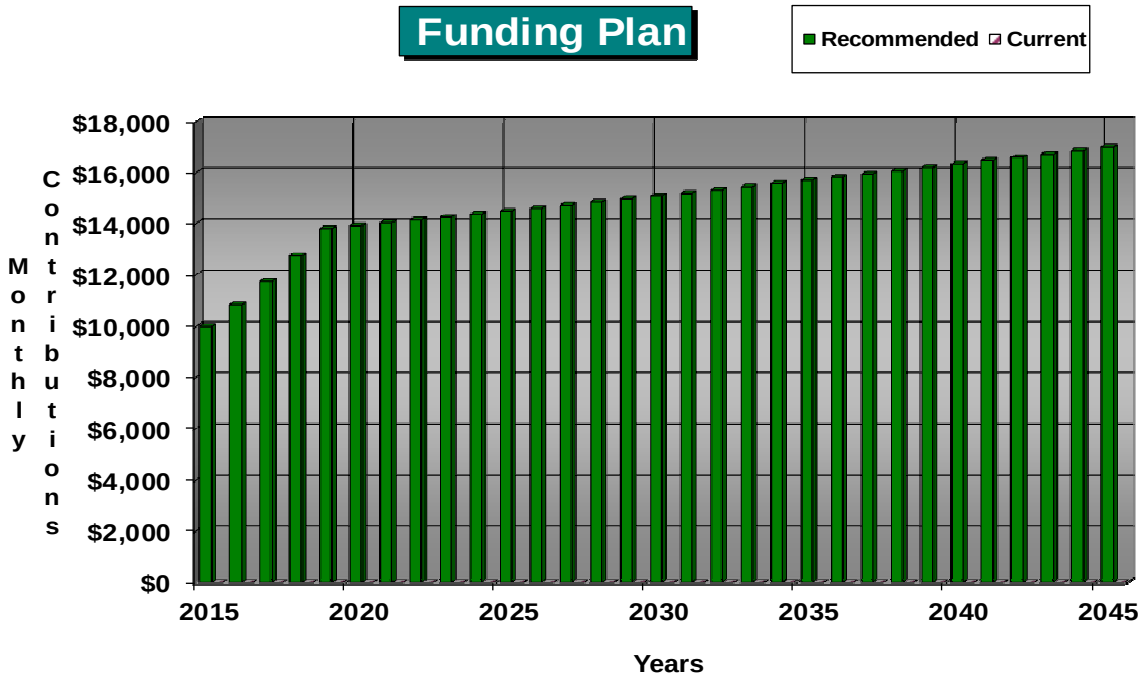


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

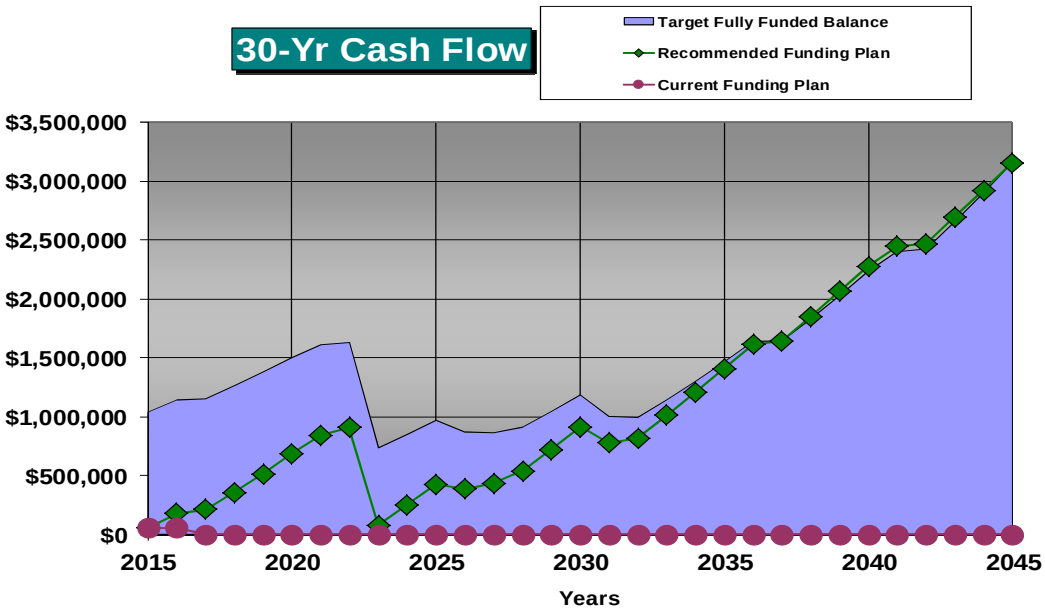


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

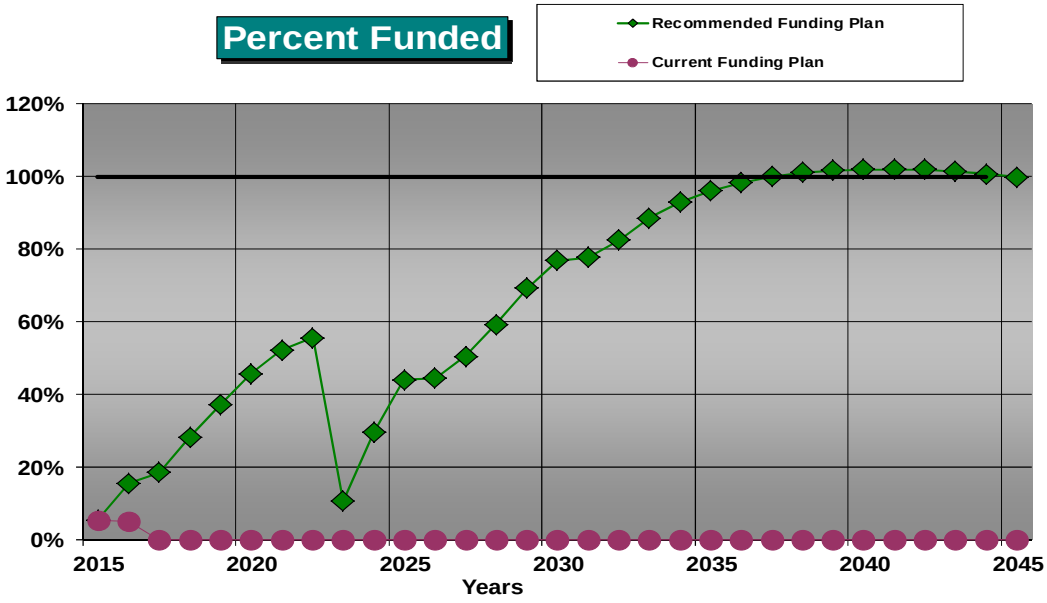


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the Drainage Department as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the Drainage Department is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the Drainage Department's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the Drainage Department (current cost divided by useful life). This presentation is not meant to cause clients to redistribute Drainage Department funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the Drainage Department, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail

27003-0 DRAINAGE

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
312	Storm water Outfall Struct. Repair	River Outfall Structure	30	7	$741,500	$890,000
501	Levees - Repair	Approx 12,900 LF, Levees	100	62	$300,000	$500,000
1005	Drain Valve - Replace	(1) 60" Drain Valve	20	12	$50,000	$60,000
1005	Equipment - Replace	Drainage Equipment	10	5	$15,000	$18,000
1009	Drainage Culverts - Repair/Replace	(31) Drainage Culverts	5	1	$85,000	$102,000
1011	Main Lift South - Repair/Replace	Storm water Pump Station	20	10	$100,000	$150,000
1014	FAA Storm Water - Repair/Replace	Storm water Pump Station	20	10	$20,000	$40,000
1904	Basin 5 - Repair	Approx 27,206 GSF, Basin	25	15	$50,000	$330,000
2113	CIA Ditch - Maintain	Approx 13 miles	15	10	$5,000	$10,000
9	Total Funded Components					

Table 3: Contribution and Fund Breakdown

27003-0 DRAINAGE

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
312	Storm water Outfall Struct. Repair	30	7	$815,750	$625,408	$0.00	$3,876.68
501	Levees - Repair	100	62	$400,000	$152,000	$0.00	$570.27
1005	Drain Valve - Replace	20	12	$55,000	$22,000	$0.00	$392.06
1005	Equipment - Replace	10	5	$16,500	$8,250	$0.00	$235.24
1009	Drainage Culverts - Repair/Replace	5	1	$93,500	$74,800	$55,805.00	$2,666.03
1011	Main Lift South - Repair/Replace	20	10	$125,000	$62,500	$0.00	$891.05
1014	FAA Storm Water - Repair/Replace	20	10	$30,000	$15,000	$0.00	$213.85
1904	Basin 5 - Repair	25	15	$190,000	$76,000	$0.00	$1,083.52
2113	CIA Ditch - Maintain	15	10	$7,500	$2,500	$0.00	$71.28
9	Total Funded Components				$1,038,458	$55,805	$10,000

Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves

27003-0
DRAINAGE

Fiscal Year Beginning: 07/01/15

Interest:	1.00%	Inflation:	3.0%

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Trnsfer Amnts	Interest Income	Projected Reserve Expenses
2015	$55,805	$1,038,458	5.4%	Weak		$120,000	$0	$1,163	$0
2016	$176,968	$1,141,858	15.5%	Weak	8.40%	$130,080	$0	$1,947	$96,305
2017	$212,691	$1,151,333	18.5%	Weak	8.40%	$141,007	$0	$2,845	$0
2018	$356,543	$1,262,519	28.2%	Weak	8.40%	$152,851	$0	$4,350	$0
2019	$513,743	$1,379,339	37.2%	Fair	8.40%	$165,691	$0	$5,993	$0
2020	$685,427	$1,502,033	45.6%	Fair	0.80%	$167,016	$0	$7,629	$19,128
2021	$840,944	$1,611,145	52.2%	Fair	0.80%	$168,352	$0	$8,733	$111,644
2022	$906,386	$1,630,751	55.6%	Fair	0.80%	$169,699	$0	$4,919	$1,003,270
2023	$77,734	$735,159	10.6%	Weak	0.80%	$171,057	$0	$1,640	$0
2024	$250,431	$848,733	29.5%	Weak	0.80%	$172,425	$0	$3,382	$0
2025	$426,238	$968,460	44.0%	Fair	0.80%	$173,805	$0	$4,058	$218,386
2026	$385,715	$869,668	44.4%	Fair	0.80%	$175,195	$0	$4,105	$129,426
2027	$435,589	$862,455	50.5%	Fair	0.80%	$176,597	$0	$4,869	$78,417
2028	$538,638	$910,564	59.2%	Fair	0.80%	$178,009	$0	$6,305	$0
2029	$722,952	$1,043,977	69.2%	Fair	0.80%	$179,434	$0	$8,164	$0
2030	$910,550	$1,184,575	76.9%	Strong	0.80%	$180,869	$0	$8,440	$321,720
2031	$778,139	$1,001,297	77.7%	Strong	0.80%	$182,316	$0	$7,979	$150,040
2032	$818,394	$992,728	82.4%	Strong	0.80%	$183,775	$0	$9,145	$0
2033	$1,011,313	$1,141,921	88.6%	Strong	0.80%	$185,245	$0	$11,090	$0
2034	$1,207,648	$1,299,173	93.0%	Strong	0.80%	$186,727	$0	$13,070	$0
2035	$1,407,444	$1,464,831	96.1%	Strong	0.80%	$188,220	$0	$15,085	$0
2036	$1,610,749	$1,639,261	98.3%	Strong	0.80%	$189,726	$0	$16,261	$173,938
2037	$1,642,799	$1,643,681	99.9%	Strong	0.80%	$191,244	$0	$17,464	$0
2038	$1,851,507	$1,831,422	101.1%	Strong	0.80%	$192,774	$0	$19,568	$0
2039	$2,063,850	$2,028,949	101.7%	Strong	0.80%	$194,316	$0	$21,709	$0
2040	$2,279,875	$2,236,678	101.9%	Strong	0.80%	$195,871	$0	$23,635	$50,251
2041	$2,449,130	$2,403,287	101.9%	Strong	0.80%	$197,438	$0	$24,583	$201,641
2042	$2,469,509	$2,423,500	101.9%	Strong	0.80%	$199,017	$0	$25,808	$0
2043	$2,694,335	$2,656,684	101.4%	Strong	0.80%	$200,609	$0	$28,075	$0
2044	$2,923,019	$2,901,678	100.7%	Strong	0.80%	$202,214	$0	$30,380	$0

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)

27003-0 DRAINAGE

	Fiscal Year	2015	2016	2017	2018	2019
	Starting Reserve Balance	$55,805	$176,968	$212,691	$356,543	$513,743
	Annual Reserve Contribution	$120,000	$130,080	$141,007	$152,851	$165,691
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$1,163	$1,947	$2,845	$4,350	$5,993
	Total Income	$176,968	$308,996	$356,543	$513,743	$685,427
#	Component					
312	Storm water Outfall Struct. Repair	$0	$0	$0	$0	$0
501	Levees - Repair	$0	$0	$0	$0	$0
1005	Drain Valve - Replace	$0	$0	$0	$0	$0
1005	Equipment - Replace	$0	$0	$0	$0	$0
1009	Drainage Culverts - Repair/Replace	$0	$96,305	$0	$0	$0
1011	Main Lift South - Repair/Replace	$0	$0	$0	$0	$0
1014	FAA Storm Water - Repair/Replace	$0	$0	$0	$0	$0
1904	Basin 5 - Repair	$0	$0	$0	$0	$0
2113	CIA Ditch - Maintain	$0	$0	$0	$0	$0
	Total Expenses	$0	$96,305	$0	$0	$0
	Ending Reserve Balance:	$176,968	$212,691	$356,543	$513,743	$685,427

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)

27003-0 DRAINAGE

	Fiscal Year	2020	2021	2022	2023	2024
	Starting Reserve Balance	$685,427	$840,944	$906,386	$77,734	$250,431
	Annual Reserve Contribution	$167,016	$168,352	$169,699	$171,057	$172,425
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$7,629	$8,733	$4,919	$1,640	$3,382
	Total Income	$860,072	$1,018,030	$1,081,004	$250,431	$426,238
#	Component					
312	Storm water Outfall Struct. Repair	$0	$0	$1,003,270	$0	$0
501	Levees - Repair	$0	$0	$0	$0	$0
1005	Drain Valve - Replace	$0	$0	$0	$0	$0
1005	Equipment - Replace	$19,128	$0	$0	$0	$0
1009	Drainage Culverts - Repair/Replace	$0	$111,644	$0	$0	$0
1011	Main Lift South - Repair/Replace	$0	$0	$0	$0	$0
1014	FAA Storm Water - Repair/Replace	$0	$0	$0	$0	$0
1904	Basin 5 - Repair	$0	$0	$0	$0	$0
2113	CIA Ditch - Maintain	$0	$0	$0	$0	$0
	Total Expenses	$19,128	$111,644	$1,003,270	$0	$0
	Ending Reserve Balance:	$840,944	$906,386	$77,734	$250,431	$426,238

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)

27003-0 DRAINAGE

	Fiscal Year	2025	2026	2027	2028	2029
	Starting Reserve Balance	$426,238	$385,715	$435,589	$538,638	$722,952
	Annual Reserve Contribution	$173,805	$175,195	$176,597	$178,009	$179,434
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$4,058	$4,105	$4,869	$6,305	$8,164
	Total Income	$604,101	$565,015	$617,054	$722,952	$910,550
#	Component					
312	Storm water Outfall Struct. Repair	$0	$0	$0	$0	$0
501	Levees - Repair	$0	$0	$0	$0	$0
1005	Drain Valve - Replace	$0	$0	$78,417	$0	$0
1005	Equipment - Replace	$0	$0	$0	$0	$0
1009	Drainage Culverts - Repair/Replace	$0	$129,426	$0	$0	$0
1011	Main Lift South - Repair/Replace	$167,990	$0	$0	$0	$0
1014	FAA Storm Water - Repair/Replace	$40,317	$0	$0	$0	$0
1904	Basin 5 - Repair	$0	$0	$0	$0	$0
2113	CIA Ditch - Maintain	$10,079	$0	$0	$0	$0
	Total Expenses	$218,386	$129,426	$78,417	$0	$0
	Ending Reserve Balance:	$385,715	$435,589	$538,638	$722,952	$910,550

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)

27003-0 DRAINAGE

	Fiscal Year	2030	2031	2032	2033	2034
	Starting Reserve Balance	$910,550	$778,139	$818,394	$1,011,313	$1,207,648
	Annual Reserve Contribution	$180,869	$182,316	$183,775	$185,245	$186,727
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$8,440	$7,979	$9,145	$11,090	$13,070
	Total Income	$1,099,859	$968,434	$1,011,313	$1,207,648	$1,407,444
#	Component					
312	Storm water Outfall Struct. Repair	$0	$0	$0	$0	$0
501	Levees - Repair	$0	$0	$0	$0	$0
1005	Drain Valve - Replace	$0	$0	$0	$0	$0
1005	Equipment - Replace	$25,706	$0	$0	$0	$0
1009	Drainage Culverts - Repair/Replace	$0	$150,040	$0	$0	$0
1011	Main Lift South - Repair/Replace	$0	$0	$0	$0	$0
1014	FAA Storm Water - Repair/Replace	$0	$0	$0	$0	$0
1904	Basin 5 - Repair	$296,014	$0	$0	$0	$0
2113	CIA Ditch - Maintain	$0	$0	$0	$0	$0
	Total Expenses	$321,720	$150,040	$0	$0	$0
	Ending Reserve Balance:	$778,139	$818,394	$1,011,313	$1,207,648	$1,407,444

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)

27003-0 DRAINAGE

	Fiscal Year	2035	2036	2037	2038	2039
	Starting Reserve Balance	$1,407,444	$1,610,749	$1,642,799	$1,851,507	$2,063,850
	Annual Reserve Contribution	$188,220	$189,726	$191,244	$192,774	$194,316
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$15,085	$16,261	$17,464	$19,568	$21,709
	Total Income	$1,610,749	$1,816,737	$1,851,507	$2,063,850	$2,279,875
#	Component					
312	Storm water Outfall Struct. Repair	$0	$0	$0	$0	$0
501	Levees - Repair	$0	$0	$0	$0	$0
1005	Drain Valve - Replace	$0	$0	$0	$0	$0
1005	Equipment - Replace	$0	$0	$0	$0	$0
1009	Drainage Culverts - Repair/Replace	$0	$173,938	$0	$0	$0
1011	Main Lift South - Repair/Replace	$0	$0	$0	$0	$0
1014	FAA Storm Water - Repair/Replace	$0	$0	$0	$0	$0
1904	Basin 5 - Repair	$0	$0	$0	$0	$0
2113	CIA Ditch - Maintain	$0	$0	$0	$0	$0
	Total Expenses	$0	$173,938	$0	$0	$0
	Ending Reserve Balance:	$1,610,749	$1,642,799	$1,851,507	$2,063,850	$2,279,875

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)

27003-0 DRAINAGE

	Fiscal Year	2040	2041	2042	2043	2044
	Starting Reserve Balance	$2,279,875	$2,449,130	$2,469,509	$2,694,335	$2,923,019
	Annual Reserve Contribution	$195,871	$197,438	$199,017	$200,609	$202,214
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$23,635	$24,583	$25,808	$28,075	$30,380
	Total Income	$2,499,381	$2,671,151	$2,694,335	$2,923,019	$3,155,614
#	Component					
312	Storm water Outfall Struct. Repair	$0	$0	$0	$0	$0
501	Levees - Repair	$0	$0	$0	$0	$0
1005	Drain Valve - Replace	$0	$0	$0	$0	$0
1005	Equipment - Replace	$34,547	$0	$0	$0	$0
1009	Drainage Culverts - Repair/Replace	$0	$201,641	$0	$0	$0
1011	Main Lift South - Repair/Replace	$0	$0	$0	$0	$0
1014	FAA Storm Water - Repair/Replace	$0	$0	$0	$0	$0
1904	Basin 5 - Repair	$0	$0	$0	$0	$0
2113	CIA Ditch - Maintain	$15,703	$0	$0	$0	$0
	Total Expenses	$50,251	$201,641	$0	$0	$0
	Ending Reserve Balance:	$2,449,130	$2,469,509	$2,694,335	$2,923,019	$3,155,614

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the Drainage Department change each year, this Reserve Study is by nature a "one-year" document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Drainage Department Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, and physical factors. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the CSD's situation.

We have relied upon the client to provide the current (or projected) Drainage Department Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Drainage Department Reserve Fund. In addition, we have considered the CSD's representation of current and historical Drainage Department Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our "Site Inspection Notes". No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves' liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the CSD to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced attorney specializing in CSD law.
Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU British Thermal Unit (a standard unit of energy)
DIA Diameter
GSF Gross Square Feet (area)
GSY Gross Square Yards (area)
HP Horsepower
LF Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an CSD total.

FFB = (Current Cost X Effective Age) / Useful Life

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a Drainage Department component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a Drainage Department component can be expected to serve its intended function.

Photographic Inventory Appendix

Comp # : 312 **Storm water Outfall Struct. Repair** Quantity: River Outfall Structure

Location : Adjacent to Main Lift South

Funded? : Yes

History : Minor repairs in 2014

Evaluation : Storm water Outfall Structure is located near Main Lift South on the golf course. Storm water pumps out to here from the Drainage Pumping Station at Main Lift South, then from here into the drainage ditch. No leaking, cracking or rusting noted. This component provides funding to repair the pumping station at roughly the interval below. Update timing and cost as future needs dictate.

Useful Life:
30 years

Remaining Life:
7 years

Best Case: $741,500 Worst Case: $890,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 501 **Levees - Repair** Quantity: Approx 12,900 LF, Levees

Location : Commercial Area, Michigan Bar, and WWT Facility Levees

Funded? : Yes

History : Accredited in 2011

Evaluation : Commercial Area Levee: Approx 6,527LF; Michigan Bar Levee: Approx 2,840LF; WWT Facility Levees: Approx 3,533LF. We don't anticipate the need for complete replacement. This component provides funding for repairs as needed.

Useful Life:
100 years

Remaining Life:
62 years

Best Case: $300,000 Worst Case: $500,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 1005 **Drain Valve - Replace** Quantity: (1) 60" Drain Valve

Location : Murieta Parkway by airport

Funded? : Yes

History :

Evaluation : No issues with valve reported. In protected location and regularly serviced/maintained.

Useful Life:
20 years

Remaining Life:
12 years

Best Case: $50,000 Worst Case: $60,000

Lower allowance for replacement Higher allowance for replacement

Cost Source: ARSF Cost Database

Comp # : 1005 **Equipment - Replace** Quantity: Drainage Equipment

Location : Drainage

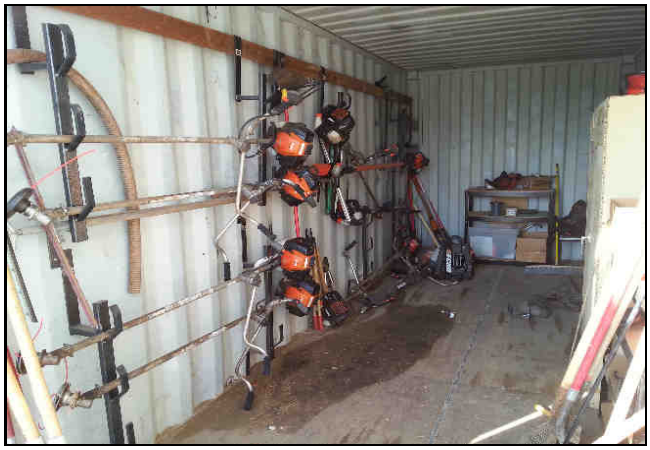
Funded? : Yes

History :

Evaluation : The CSD has various equipment associated with drainage. This component provides funding to replace equipment as needed at roughly the interval below. Update timing and allowance as future needs dictate.

Useful Life:
10 years

Remaining Life:
5 years



Best Case: $15,000 Worst Case: $18,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1009 **Drainage Culverts - Repair/Replace** Quantity: (31) Drainage Culverts

Location : Throughout District

Funded? : Yes

History :

Evaluation : The CSD has performed repairs on an as-needed basis in previous years. This component provides funding to repair drainage culverts as needed at roughly the interval below. Update timing and allowance and future projects dictate.

Useful Life:
5 years

Remaining Life:
1 years

Best Case: $85,000 Worst Case: $102,000

Lower allowance to repair/replace Higher allowance to repair/replace

Cost Source: ARSF Cost Database

Comp # : 1011 **Main Lift South - Repair/Replace** Quantity: Storm water Pump Station

Location : On Golf Course, South side of River Near Reynosa Dr

Funded? : Yes

History :

Evaluation : (5) 150HP Storm water pumps. No expectation to replace completely. This component provides funding to repair the storm water component and replace the pumps at the Main Lift Station as needed at roughly the interval listed below.

Useful Life:
20 years

Remaining Life:
10 years

Best Case: $100,000 Worst Case: $150,000

Lower allowance to repair/replace Higher allowance to repair/replace

Cost Source: ARSF Cost Database

Comp # : 1014 **FAA Storm Water - Repair/Replace** Quantity: Storm water Pump Station

Location : Cantova Way Near Baseball Diamond

Funded? : Yes

History :

Evaluation : The FAA Lift Station is a dual-function facility. It pumps storm water runoff from the Cantova Way Business Park area over the levee into the local farm diversion ditch. Equipment includes; (3) 30HP storm water pumps; a 3/4 horsepower submersible sump pump; and (3) flap valves. This component provides funding to repair/replace the storm water components at roughly the interval listed below.

Useful Life:
20 years

Remaining Life:
10 years

Best Case: $20,000 Worst Case: $40,000

Lower allowance to repair/replace Higher allowance to repair/replace

Cost Source: ARSF Cost Database

Comp # : 1904 **Basin 5 - Repair** Quantity: Approx 27,206 GSF, Basin

Location : Reynosa Drive at Respeto Court

Funded? : Yes

History :

Evaluation : Storm drain run-off flows here. Overflow and piping to Main Lift South. HOA maintains the fountains. This component provides funding for larger repairs that extend beyond the maintenance scope of the HOA.

Useful Life:
25 years

Remaining Life:
15 years

Best Case: $50,000 Worst Case: $330,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 2113 **CIA Ditch - Maintain** Quantity: Approx 13 miles

Location : Granlees Lift Station

Funded? : Yes

History : Extensively cleaned in 2011

Evaluation : RMCSD diverts water from the Cosumnes River into the CIA Ditch (Cosumnes Irrigation Association). The CIA Ditch is 2/3 owned by the Anderson Ranch, 1/3 by RMCSD. RMCSD performs the maintenance and bills the CIA for their share.

Useful Life:
15 years

Remaining Life:
10 years

Best Case: $5,000

Lower allowance to maintain

Worst Case: $10,000

Higher allowance to maintain

Cost Source: ARSF Cost Database

San Francisco Office
268 Bush Street #3434
San Francisco, CA 94104

ASSOCIATION RESERVES
San Francisco, LLC
Est. 1986
Reserve Studies for Community Associations

tel 877/618.1955
415/694.8931
916/912.4188
fax 415/762.3662
www.reservestudy.com

"Full" Reserve Study

RMCSD – Sewer Department

Rancho Murieta, CA

Report #: 27003-0 SEWER
For Period Beginning: July 1, 2015
Expires: June 30, 2016

Date Prepared: January 28, 2015

Hello, and welcome to your Reserve Study!

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

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

In this Report, you will find…

1) A List of What you're Reserving For

2) An Evaluation of your Reserve Fund Size and Strength

3) A Recommended Multi-Year Reserve Funding Plan

More Questions?

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

877/618-1955

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Table of Contents

3- Minute Executive Summary

Name: RMCSD – Sewer Department **Assoc. #: 27003-0 SEWER**

Location: Rancho Murieta, CA
# of Units: 1
Report Period: July 1, 2015 through June 30, 2016

Results as-of 7/1/2015:

Projected Starting Reserve Balance:	**$2,630,712**
Fully Funded Reserve Balance:	**$8,138,970**
Average Reserve Deficit (Surplus) Per Unit:	**$5,508,258**
Percent Funded:	**32.3%**
Recommended 2015/16 monthly Reserve Contribution:	**$47,450**

Most Recent Reserve Contribution Rate:.....$15,000

Economic Assumptions:
Net Annual "After Tax" Interest Earnings Accruing to Reserves.....1.00%
Annual Inflation Rate.....3.00%

- **This is a "Full" Reserve Study (original, created "from scratch").**
- **The information in this Reserve Study is based on our site inspection on August 4, 2014.**
- **This Reserve Study was prepared under the supervision of a credentialed Reserve Specialist (RS).**
- **Because your Reserve Fund is at 32.3% Funded, this means the CSD's Sewer Department deferred maintenance risk & need for a transfer of funds is currently high.**
- **Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".**
- **Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.**
- **No assets appropriate for Reserve designation were excluded.**

Table 1: Executive Summary					27003-0 SEWER
#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
	Sewer				
336	Mechanical Equipment - Replace	8	5	$35,000	$40,575
1031	Groundwater Well - Repair	40	20	$46,650	$84,255
1860	1994 Ford Dump Truck - Replace	25	4	$44,000	$49,522
1861	2001 Ford F250 - Replace	15	1	$35,000	$36,050
1863	2003 Ford F150 - Replace	18	5	$27,000	$31,300
1864	2008 Ford F350 - Replace 50%	15	8	$22,500	$28,502
1865	2010 Ford Ranger - Replace 50%	15	10	$13,750	$18,479
1902	Pipeline (Airport) - Replace 25%	30	0	$47,950	$116,387
1902	Pipeline (Alameda) - Replace 25%	30	0	$51,350	$124,640
1902	Pipeline (MH Park) - Replace	45	0	$770,600	$2,914,098
1902	Pipelines (N. Unit 1) - Replace 25%	30	0	$263,000	$638,370
1902	Pipelines (N. Units 2-4) - Repl 25%	30	0	$945,300	$2,294,491
1902	Pipelines (RM South) - Replace 25%	30	6	$349,350	$417,142
1902	Pipelines (South 7&8) - Replace 25%	30	15	$89,050	$138,737
1902	Pipelines (South Newest) - Repl 25%	30	18	$150,700	$256,557
1902	Pipelines (Unit 6) - Repl 25%	30	2	$137,675	$146,059
1907	Sewer Jetting Unit - Replace	20	10	$48,000	$64,508
	Waste Water Treatment Facility				
203	Asphalt - Seal/Repair	10	5	$132,500	$153,604
302	Generators - Replace	50	25	$635,000	$1,329,549
312	Pumping Stations - Repair	8	4	$350,000	$393,928
313	Tertiary Effluent - Replace	15	5	$25,000	$28,982
336	Air Compressors - Replace	10	5	$35,900	$41,618
337	Solar Pond Circulator - Replace	10	2	$56,000	$59,410
521	Fencing - Replace/Repair	25	10	$98,000	$131,704
941	Storage Buildings - Refurbish	30	10	$265,000	$356,138
1005	Filtration Valves - Replace	30	20	$82,350	$148,733
1011	WW Treatment Facility - Rehab	40	15	$3,400,000	$5,297,089
1015	Chemical Storage Room - Repair	30	10	$17,600	$23,653
1015	Chlorine Contact Tank - Repair	40	15	$25,000	$38,949
1015	Hydro Tank - Replace	30	26	$17,500	$37,740
1030	Equip & Devices - Partial Replace	10	5	$98,500	$114,188
1105	Exterior Surfaces - Repaint	15	11	$29,700	$41,112
1113	Tertiary Stations - Repair/Repaint	15	11	$350,000	$484,482
1206	Filters - Replace 33%	6	4	$450,000	$506,479
1703	WWT Holding Ponds - Repair	30	10	$55,000	$73,915
1712	Floating Aerators - Replace	10	5	$132,000	$153,024
1810	Automated Gate - Replace	5	3	$9,500	$10,381
1864	Fuel Tank - Replace	30	25	$42,500	$88,986
1904	EQ Basin - Repair	30	15	$170,000	$264,854
1912	Chem. Storage Tanks - Reline/Repair	30	15	$160,000	$249,275
2710	Aerator Brush Device - Repl 50%	20	4	$67,500	$75,972
2711	Aerator Pumps - Repl 50%	6	2	$13,500	$14,322
2712	Aerator Control Systems - Repl 50%	10	5	$9,900	$11,477
	Lift Stations				

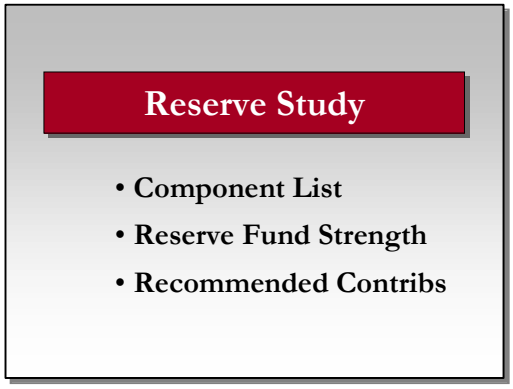
Table 1: Executive Summary	27003-0 SEWER

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1	Main Lift N - Major Reconstruction	30	29	$1,000,000	$2,356,566
2	Main Lift N - Minor Reconstruction	15	14	$200,000	$302,518
3	Cantova - Major Reconstruction	30	2	$142,500	$151,178
4	Cantova - Minor Reconstruction	15	2	$57,500	$61,002
5	FAA - Major Reconstruction	30	4	$55,000	$61,903
6	FAA - Minor Reconstruction	15	4	$30,000	$33,765
7	6B - Major Reconstruction	30	8	$154,500	$195,716
8	6B - Minor Reconstruction	15	8	$45,000	$57,005
9	6A - Major Reconstruction	30	8	$132,500	$167,847
10	6A - Minor Reconstruction	15	8	$45,000	$57,005
11	3B - Major Reconstruction	30	11	$132,500	$183,411
12	3B - Minor Reconstruction	15	11	$45,000	$62,291
13	Alameda - Major Reconstruction	30	5	$60,000	$69,556
14	Alameda - Minor Reconstruction	15	5	$15,000	$17,389
15	Starter Shack- Major Reconstruction	30	3	$60,000	$65,564
16	Starter Shack- Minor Reconstruction	15	3	$15,000	$16,391
17	Main Lift S - Major Reconstruction	30	4	$600,000	$675,305
18	Main Lift S - Minor Reconstruction	15	4	$170,000	$191,336
19	Crest - Major Reconstruction	30	17	$300,000	$495,854
20	Crest - Minor Reconstruction	15	2	$45,000	$47,741
21	Greens - Major Reconstruction	30	16	$100,000	$160,471
22	Greens - Minor Reconstruction	15	1	$35,000	$36,050
23	Minor Lift Stations - Repair	15	5	$21,000	$24,345
66	Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in initial year.
Note 2: a Useful Life of “N/A” means a one-time expense, not expected to repeat.

Introduction

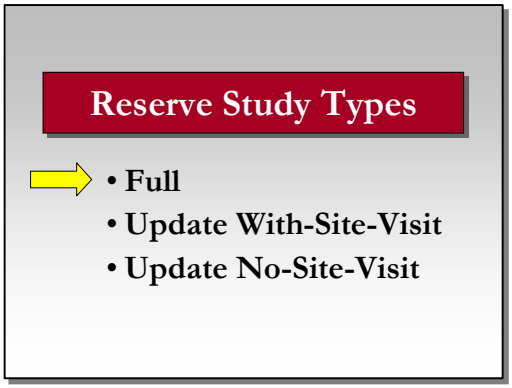
A Reserve Study is the art and science of anticipating, and preparing for, a CSD's major repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.



In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the Sewer Department is obligated to maintain. Based on that List and your starting balance we computed the Sewer Department's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing deterioration.

Methodology



First we establish what the projected expenses are, then we determine the Sewer Department's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established CSD precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List "from scratch".

Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a Sewer Department maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a "surprise" which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include "lifetime" components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

1) Visual Inspection (observed wear and age)
2) Association Reserves database of experience
3) Client Component History
4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order…

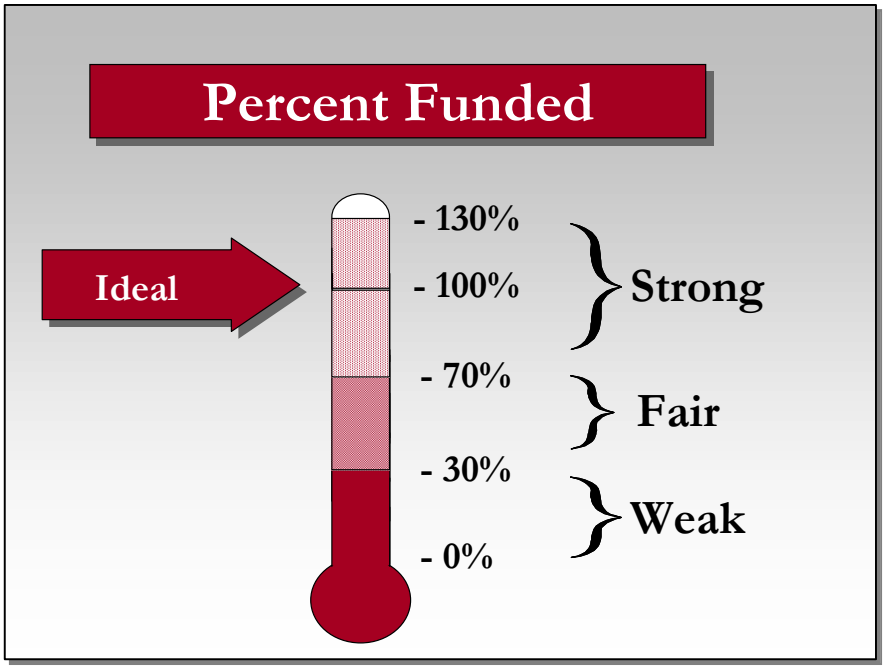
1) Client Cost History
2) Comparison to Association Reserves database of work done at similar CSDs
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

1) Calculate the Sewer Department's Fully Funded Balance (FFB).
2) Compare to the Sewer Department Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the Sewer Department increase, but shrinks when projects are accomplished and the Reserve needs of the Sewer Department decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



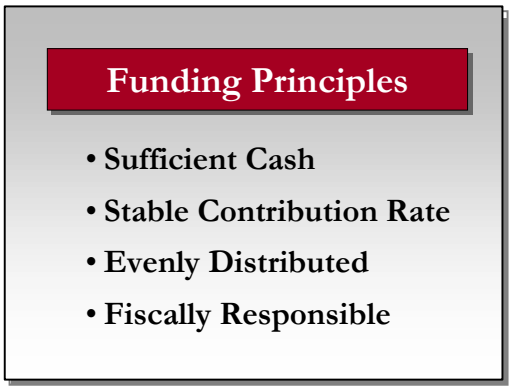
Deferred maintenance & the need for a transfer of funds are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your Sewer Department is for upcoming Reserve expenses.

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their "fair share" of the Sewer Department's Reserve expenses (this means we recommend a transfer of funds only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and "safe" for Board Members to recommend to their CSD.

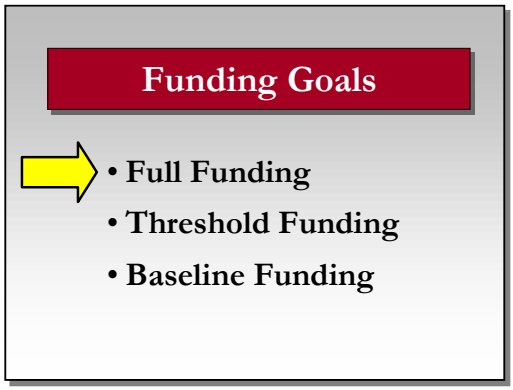


What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called "Full Funding" the Reserves (100% Funded). As each asset ages and becomes "used up", the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, CSDs in the 100% range rarely experience the need for a transfer of funds or deferred maintenance.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these CSDs, deterioration occurs without matching Reserve contributions. With a low Percent Funded, the need for a transfer of funds and deferred maintenance are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.



Site Inspection Notes

During our site visit on August 4, 2014, we started with a brief meeting with Paul Siebensohn (Director of Field Operations), and then started the site inspection beginning with the waste water treatment facility. We visually inspected the entire plant, and were able to see most Lift Stations. We were not able to inspect the underground/underwater equipment.

Projected Expenses

The figure below shows the array of the projected future expenses at your CSD's Sewer Department. All expenses are based on the average of our Best Case and Worst Case projections, inflated appropriately for future years.

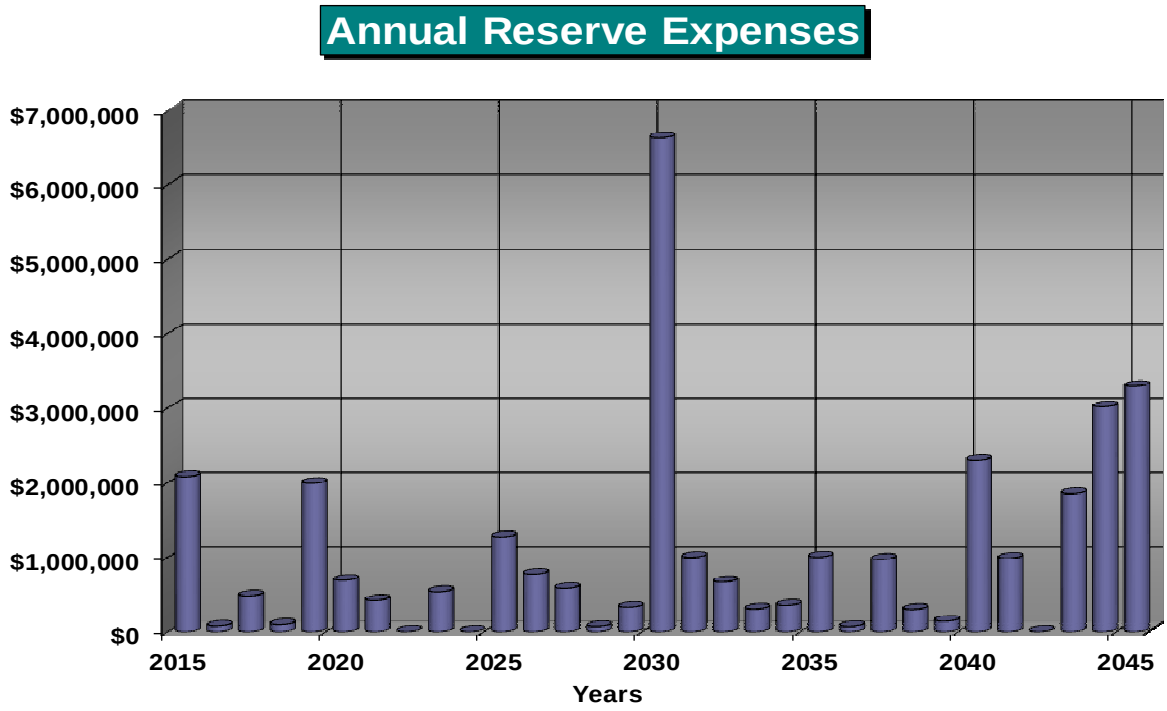


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about "near-term" projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years' worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Sewer Department Reserve Fund balance, projected to be $2,630,712 as-of the start of your Fiscal Year on July 1, 2015. This is based on your actual balance on 9/30/14 of $2,495,712 and anticipated Reserve contributions totaling $135,000 and no expenses projected through the end of your Fiscal Year. As of July 1, 2015, your Fully Funded Balance is computed to be $8,138,970 (see Table 3). This figure represents the deteriorated value of your Sewer Department components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 32% Funded.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of $47,450/month this 2015/2016 Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

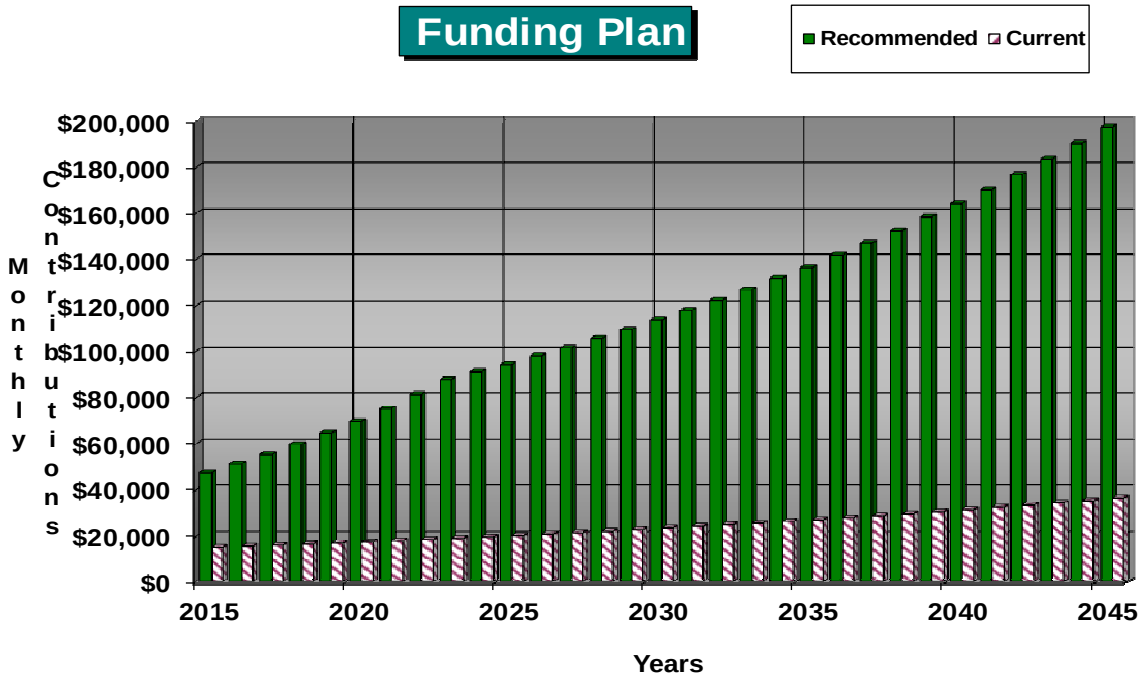


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

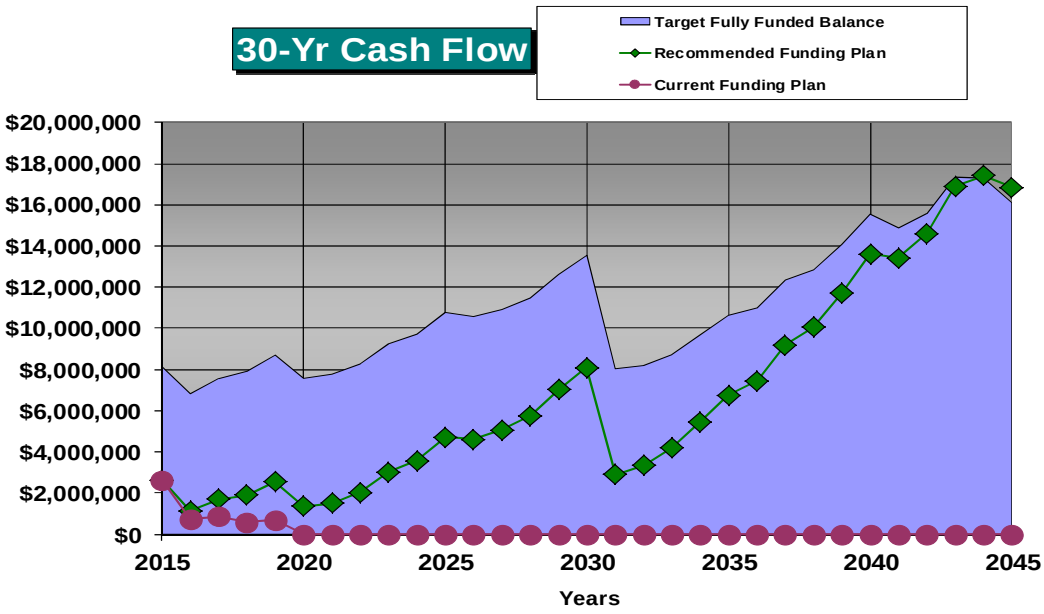


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

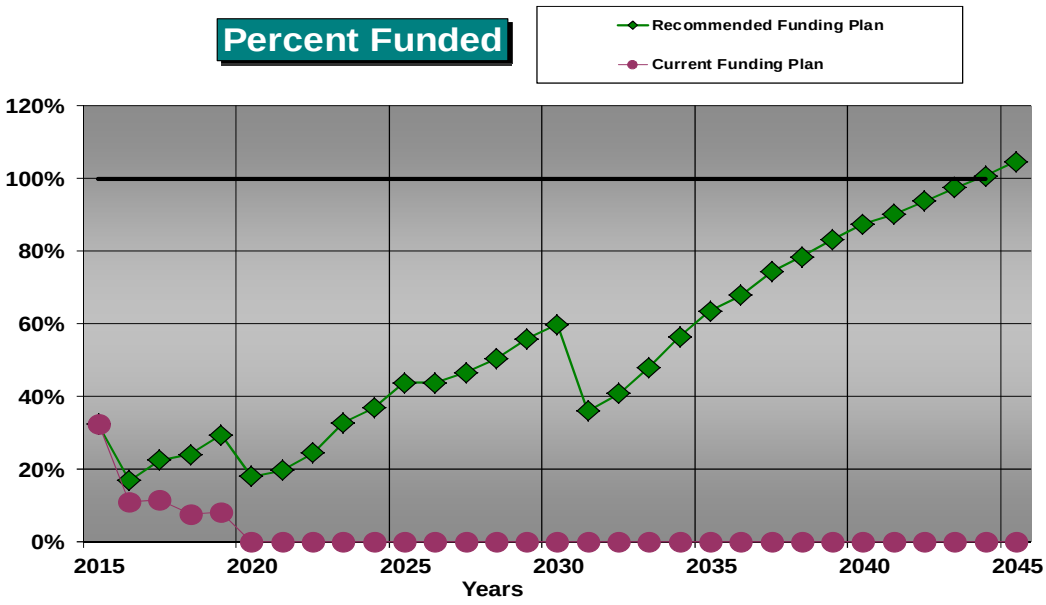


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the Sewer Department as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the Sewer Department is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the Sewer Department's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the Sewer Department (current cost divided by useful life). This presentation is not meant to cause clients to redistribute Sewer Department funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the Sewer Department, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail — 27003-0 SEWER

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
	Sewer					
336	Mechanical Equipment - Replace	Various Equipment	8	5	$30,000	$40,000
1031	Groundwater Well - Repair	(5) Groundwater Wells	40	20	$42,400	$50,900
1860	1994 Ford Dump Truck - Replace	(1) Ford F250, V#1665	25	4	$40,000	$48,000
1861	2001 Ford F250 - Replace	(1) Ford F250, V#8523	15	1	$32,000	$38,000
1863	2003 Ford F150 - Replace	(1) Ford F150, V#1750	18	5	$25,000	$29,000
1864	2008 Ford F350 - Replace 50%	(1) Ford F350, V#0663	15	8	$20,000	$25,000
1865	2010 Ford Ranger - Replace 50%	(1) Ford Ranger, V#8210	15	10	$12,500	$15,000
1902	Pipeline (Airport) - Replace 25%	Approx 3,500 LF X 25%	30	0	$43,400	$52,500
1902	Pipeline (Alameda) - Replace 25%	Approx 3,750 LF X 25%	30	0	$46,500	$56,200
1902	Pipeline (MH Park) - Replace	Approx 11,250 LF	45	0	$697,500	$843,700
1902	Pipelines (N. Unit 1) - Replace 25%	Approx 19,200 LF X 25%	30	0	$238,000	$288,000
1902	Pipelines (N. Units 2-4) - Repl 25%	Approx 69,000 LF X 25%	30	0	$855,600	$1,035,000
1902	Pipelines (RM South) - Replace 25%	Approx 25,500 LF X 25%	30	6	$316,200	$382,500
1902	Pipelines (South 7&8) - Replace 25%	Approx 6,500 LF X 25%	30	15	$80,600	$97,500
1902	Pipelines (South Newest) - Repl 25%	Approx 11,000 LF X 25%	30	18	$136,400	$165,000
1902	Pipelines (Unit 6) - Repl 25%	Approx 10,100 LF X 25%	30	2	$125,150	$150,200
1907	Sewer Jetting Unit - Replace	Sewer Jetting Equipment	20	10	$43,000	$53,000
	Waste Water Treatment Facility					
203	Asphalt - Seal/Repair	Approx 246,650 GSF	10	5	$120,000	$145,000
302	Generators - Replace	Generators	50	25	$550,000	$720,000
312	Pumping Stations - Repair	(3) Pump Stations	8	4	$300,000	$400,000
313	Tertiary Effluent - Replace	Filtered Tert. Effluent	15	5	$20,000	$30,000
336	Air Compressors - Replace	(4) Air Compressors	10	5	$29,900	$41,900
337	Solar Pond Circulator - Replace	(1) Solar Pond Circulator	10	2	$51,000	$61,000
521	Fencing - Replace/Repair	Approx 4,900 LF	25	10	$88,200	$107,800
941	Storage Buildings - Refurbish	Approx 7,730 GSF	30	10	$240,000	$290,000
1005	Filtration Valves - Replace	(3) Filtration Valves	30	20	$74,900	$89,800
1011	WW Treatment Facility - Rehab	WW Treatment Facility	40	15	$2,800,000	$4,000,000
1015	Chemical Storage Room - Repair	(1) Chem. Storage Room	30	10	$16,000	$19,200
1015	Chlorine Contact Tank - Repair	(1) Tank	40	15	$20,000	$30,000
1015	Hydro Tank - Replace	(1) Saturation Vessel	30	26	$15,000	$20,000
1030	Equip & Devices - Partial Replace	Reading Devices/Equipment	10	5	$72,000	$125,000
1105	Exterior Surfaces - Repaint	Approx 2,000 GSF	15	11	$27,000	$32,400
1113	Tertiary Stations - Repair/Repaint	(2) Tertiary Treatment St	15	11	$300,000	$400,000
1206	Filters - Replace 33%	(6) Filters	6	4	$400,000	$500,000
1703	WWT Holding Ponds - Repair	Approx 1,567,120 GSF	30	10	$50,000	$60,000
1712	Floating Aerators - Replace	(10) Floating Aerators	10	5	$120,000	$144,000
1810	Automated Gate - Replace	(1) Automated Gate	5	3	$8,500	$10,500
1864	Fuel Tank - Replace	Fuel Tank	30	25	$35,000	$50,000
1904	EQ Basin - Repair	Approx 48,000 GSF	30	15	$150,000	$190,000
1912	Chem. Storage Tanks - Reline/Repair	(3) Storage Containers	30	15	$120,000	$200,000
2710	Aerator Brush Device - Repl 50%	(5) Aerated Brush	20	4	$60,000	$75,000
2711	Aerator Pumps - Repl 50%	(4) Pumps, 10hp	6	2	$12,500	$14,500
2712	Aerator Control Systems - Repl 50%	(2) Aerator Controls	10	5	$9,000	$10,800
	Lift Stations					
1	Main Lift N - Major Reconstruction	(1) Sewer Lift Station	30	29	$550,000	$1,450,000
2	Main Lift N - Minor Reconstruction	(1) Sewer Lift Station	15	14	$150,000	$250,000
3	Cantova - Major Reconstruction	(1) Sewer Lift Station	30	2	$120,000	$165,000
4	Cantova - Minor Reconstruction	(1) Sewer Lift Station	15	2	$40,000	$75,000
5	FAA - Major Reconstruction	(1) Sewer Lift Station	30	4	$40,000	$70,000
6	FAA - Minor Reconstruction	(1) Sewer/Stormwater Lift	15	4	$25,000	$35,000
7	6B - Major Reconstruction	(1) Sewer Lift Station	30	8	$120,000	$189,000
8	6B - Minor Reconstruction	(1) Sewer Lift Station	15	8	$40,000	$50,000
9	6A - Major Reconstruction	(1) Sewer Lift Station	30	8	$120,000	$145,000
10	6A - Minor Reconstruction	(1) Sewer Lift Station	15	8	$40,000	$50,000
11	3B - Major Reconstruction	(1) Sewer Lift Station	30	11	$120,000	$145,000
12	3B - Minor Reconstruction	(1) Sewer Lift Station	15	11	$40,000	$50,000
13	Alameda - Major Reconstruction	(1) Sewer Lift Station	30	5	$50,000	$70,000
14	Alameda - Minor Reconstruction	(1) Sewer Lift Station	15	5	$10,000	$20,000
15	Starter Shack- Major Reconstruction	(1) Sewer Lift Station	30	3	$50,000	$70,000

Table 2: Reserve Component List Detail

27003-0 SEWER

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
16	Starter Shack- Minor Reconstruction	(1) Sewer Lift Station	15	3	$10,000	$20,000
17	Main Lift S - Major Reconstruction	(1) Sewer/Stormwater Lift	30	4	$450,000	$750,000
18	Main Lift S - Minor Reconstruction	(1) Sewer/Stormwater Lift	15	4	$150,000	$190,000
19	Crest - Major Reconstruction	(1) Sewer Lift Station	30	17	$250,000	$350,000
20	Crest - Minor Reconstruction	(1) Sewer Lift Station	15	2	$40,000	$50,000
21	Greens - Major Reconstruction	(1) Sewer Lift Station	30	16	$90,000	$110,000
22	Greens - Minor Reconstruction	(1) Sewer Lift Station	15	1	$30,000	$40,000
23	Minor Lift Stations - Repair	(2) Sewage Lift Stations	15	5	$12,000	$30,000
66	Total Funded Components					

Table 3: Contribution and Fund Breakdown — 27003-0 SEWER

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
	Sewer						
336	Mechanical Equipment - Replace	8	5	$35,000	$13,125	$0.00	$364.63
1031	Groundwater Well - Repair	40	20	$46,650	$23,325	$0.00	$97.20
1860	1994 Ford Dump Truck - Replace	25	4	$44,000	$36,960	$0.00	$146.68
1861	2001 Ford F250 - Replace	15	1	$35,000	$32,667	$32,666.67	$194.47
1863	2003 Ford F150 - Replace	18	5	$27,000	$19,500	$0.00	$125.01
1864	2008 Ford F350 - Replace 50%	15	8	$22,500	$10,500	$0.00	$125.01
1865	2010 Ford Ranger - Replace 50%	15	10	$13,750	$4,583	$0.00	$76.40
1902	Pipeline (Airport) - Replace 25%	30	0	$47,950	$47,950	$47,950.00	$133.21
1902	Pipeline (Alameda) - Replace 25%	30	0	$51,350	$51,350	$51,350.00	$142.66
1902	Pipeline (MH Park) - Replace	45	0	$770,600	$770,600	$770,600.00	$1,427.20
1902	Pipelines (N. Unit 1) - Replace 25%	30	0	$263,000	$263,000	$263,000.00	$730.64
1902	Pipelines (N. Units 2-4) - Repl 25%	30	0	$945,300	$945,300	$945,300.00	$2,626.14
1902	Pipelines (RM South) - Replace 25%	30	6	$349,350	$279,480	$0.00	$970.53
1902	Pipelines (South 7&8) - Replace 25%	30	15	$89,050	$44,525	$0.00	$247.39
1902	Pipelines (South Newest) - Repl 25%	30	18	$150,700	$60,280	$0.00	$418.66
1902	Pipelines (Unit 6) - Repl 25%	30	2	$137,675	$128,497	$128,496.67	$382.48
1907	Sewer Jetting Unit - Replace	20	10	$48,000	$24,000	$0.00	$200.02
	Waste Water Treatment Facility						
203	Asphalt - Seal/Repair	10	5	$132,500	$66,250	$0.00	$1,104.30
302	Generators - Replace	50	25	$635,000	$317,500	$0.00	$1,058.46
312	Pumping Stations - Repair	8	4	$350,000	$175,000	$0.00	$3,646.26
313	Tertiary Effluent - Replace	15	5	$25,000	$16,667	$0.00	$138.91
336	Air Compressors - Replace	10	5	$35,900	$17,950	$0.00	$299.20
337	Solar Pond Circulator - Replace	10	2	$56,000	$44,800	$44,800.00	$466.72
521	Fencing - Replace/Repair	25	10	$98,000	$58,800	$0.00	$326.70
941	Storage Buildings - Refurbish	30	10	$265,000	$176,667	$0.00	$736.20
1005	Filtration Valves - Replace	30	20	$82,350	$27,450	$0.00	$228.78
1011	WW Treatment Facility - Rehab	40	15	$3,400,000	$2,125,000	$0.00	$7,084.16
1015	Chemical Storage Room - Repair	30	10	$17,600	$11,733	$0.00	$48.89
1015	Chlorine Contact Tank - Repair	40	15	$25,000	$15,625	$0.00	$52.09
1015	Hydro Tank - Replace	30	26	$17,500	$2,333	$0.00	$48.62
1030	Equip & Devices - Partial Replace	10	5	$98,500	$49,250	$0.00	$820.93
1105	Exterior Surfaces - Repaint	15	11	$29,700	$7,920	$0.00	$165.02
1113	Tertiary Stations - Repair/Repaint	15	11	$350,000	$93,333	$0.00	$1,944.67
1206	Filters - Replace 33%	6	4	$450,000	$150,000	$13,248.67	$6,250.73
1703	WWT Holding Ponds - Repair	30	10	$55,000	$36,667	$0.00	$152.80
1712	Floating Aerators - Replace	10	5	$132,000	$66,000	$0.00	$1,100.13
1810	Automated Gate - Replace	5	3	$9,500	$3,800	$3,800.00	$158.35
1864	Fuel Tank - Replace	30	25	$42,500	$7,083	$0.00	$118.07
1904	EQ Basin - Repair	30	15	$170,000	$85,000	$0.00	$472.28
1912	Chem. Storage Tanks - Reline/Repair	30	15	$160,000	$80,000	$0.00	$444.50
2710	Aerator Brush Device - Repl 50%	20	4	$67,500	$54,000	$0.00	$281.28
2711	Aerator Pumps - Repl 50%	6	2	$13,500	$9,000	$9,000.00	$187.52
2712	Aerator Control Systems - Repl 50%	10	5	$9,900	$4,950	$0.00	$82.51
	Lift Stations						
1	Main Lift N - Major Reconstruction	30	29	$1,000,000	$33,333	$0.00	$2,778.10
2	Main Lift N - Minor Reconstruction	15	14	$200,000	$13,333	$0.00	$1,111.24
3	Cantova - Major Reconstruction	30	2	$142,500	$133,000	$133,000.00	$395.88
4	Cantova - Minor Reconstruction	15	2	$57,500	$49,833	$49,833.33	$319.48
5	FAA - Major Reconstruction	30	4	$55,000	$47,667	$0.00	$152.80
6	FAA - Minor Reconstruction	15	4	$30,000	$22,000	$0.00	$166.69
7	6B - Major Reconstruction	30	8	$154,500	$113,300	$0.00	$429.22
8	6B - Minor Reconstruction	15	8	$45,000	$21,000	$0.00	$250.03
9	6A - Major Reconstruction	30	8	$132,500	$97,167	$0.00	$368.10
10	6A - Minor Reconstruction	15	8	$45,000	$21,000	$0.00	$250.03
11	3B - Major Reconstruction	30	11	$132,500	$83,917	$0.00	$368.10
12	3B - Minor Reconstruction	15	11	$45,000	$12,000	$0.00	$250.03
13	Alameda - Major Reconstruction	30	5	$60,000	$50,000	$0.00	$166.69
14	Alameda - Minor Reconstruction	15	5	$15,000	$10,000	$0.00	$83.34
15	Starter Shack- Major Reconstruction	30	3	$60,000	$54,000	$54,000.00	$166.69
16	Starter Shack- Minor Reconstruction	15	3	$15,000	$12,000	$12,000.00	$83.34
17	Main Lift S - Major Reconstruction	30	4	$600,000	$520,000	$0.00	$1,666.86

Table 3: Contribution and Fund Breakdown

27003-0 SEWER

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
18	Main Lift S - Minor Reconstruction	15	4	$170,000	$124,667	$0.00	$944.56
19	Crest - Major Reconstruction	30	17	$300,000	$130,000	$0.00	$833.43
20	Crest - Minor Reconstruction	15	2	$45,000	$39,000	$39,000.00	$250.03
21	Greens - Major Reconstruction	30	16	$100,000	$46,667	$0.00	$277.81
22	Greens - Minor Reconstruction	15	1	$35,000	$32,667	$32,666.67	$194.47
23	Minor Lift Stations - Repair	15	5	$21,000	$14,000	$0.00	$116.68
66	Total Funded Components				$8,138,970	$2,630,712	$47,450

Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves — 27003-0 SEWER

Fiscal Year Beginning: 07/01/15 | **Interest: 1.00%** | **Inflation: 3.0%**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Trnsfer Amnts	Interest Income	Projected Reserve Expenses
2015	$2,630,712	$8,138,970	32.3%	Fair		$569,400	$0	$18,849	$2,078,200
2016	$1,140,761	$6,829,006	16.7%	Weak	8.00%	$614,952	$0	$14,187	$72,100
2017	$1,697,800	$7,563,619	22.4%	Weak	8.00%	$664,148	$0	$17,982	$479,712
2018	$1,900,218	$7,918,550	24.0%	Weak	8.00%	$717,280	$0	$22,229	$92,335
2019	$2,547,391	$8,701,790	29.3%	Weak	8.00%	$774,662	$0	$19,495	$1,988,211
2020	$1,353,338	$7,574,999	17.9%	Weak	8.00%	$836,635	$0	$14,352	$686,058
2021	$1,518,267	$7,775,423	19.5%	Weak	8.00%	$903,566	$0	$17,696	$417,142
2022	$2,022,387	$8,279,237	24.4%	Weak	8.00%	$975,852	$0	$25,219	$0
2023	$3,023,457	$9,248,828	32.7%	Fair	8.00%	$1,053,920	$0	$32,979	$535,210
2024	$3,575,145	$9,717,877	36.8%	Fair	3.75%	$1,093,442	$0	$41,408	$0
2025	$4,709,995	$10,774,550	43.7%	Fair	3.75%	$1,134,446	$0	$46,620	$1,273,159
2026	$4,617,901	$10,574,523	43.7%	Fair	3.75%	$1,176,987	$0	$48,429	$771,295
2027	$5,072,022	$10,909,057	46.5%	Fair	3.75%	$1,221,124	$0	$54,179	$578,859
2028	$5,768,467	$11,476,189	50.3%	Fair	3.75%	$1,266,917	$0	$63,985	$65,350
2029	$7,034,019	$12,614,332	55.8%	Fair	3.75%	$1,314,426	$0	$75,644	$322,938
2030	$8,101,151	$13,547,139	59.8%	Fair	3.75%	$1,363,717	$0	$54,952	$6,625,802
2031	$2,894,019	$8,042,590	36.0%	Fair	3.75%	$1,414,856	$0	$31,183	$994,918
2032	$3,345,140	$8,200,123	40.8%	Fair	3.75%	$1,467,913	$0	$37,637	$665,271
2033	$4,185,419	$8,730,149	47.9%	Fair	3.75%	$1,522,960	$0	$48,198	$298,266
2034	$5,458,311	$9,683,169	56.4%	Fair	3.75%	$1,580,071	$0	$61,009	$350,701
2035	$6,748,690	$10,640,720	63.4%	Fair	3.75%	$1,639,324	$0	$71,010	$999,683
2036	$7,459,341	$10,989,396	67.9%	Fair	3.75%	$1,700,799	$0	$83,152	$65,110
2037	$9,178,182	$12,342,916	74.4%	Strong	3.75%	$1,764,578	$0	$96,197	$969,548
2038	$10,069,409	$12,838,197	78.4%	Strong	3.75%	$1,830,750	$0	$108,876	$294,064
2039	$11,714,971	$14,077,794	83.2%	Strong	3.75%	$1,899,403	$0	$126,540	$137,214
2040	$13,603,700	$15,550,855	87.5%	Strong	3.75%	$1,970,631	$0	$134,991	$2,303,260
2041	$13,406,062	$14,872,841	90.1%	Strong	3.75%	$2,044,530	$0	$140,010	$982,759
2042	$14,607,843	$15,571,439	93.8%	Strong	3.75%	$2,121,199	$0	$157,405	$0
2043	$16,886,447	$17,341,175	97.4%	Strong	3.75%	$2,200,744	$0	$171,392	$1,852,077
2044	$17,406,506	$17,295,441	100.6%	Strong	3.75%	$2,283,272	$0	$171,194	$3,014,047

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4) — 27003-0 SEWER

#	Fiscal Year	2015	2016	2017	2018	2019
	Starting Reserve Balance	$2,630,712	$1,140,761	$1,697,800	$1,900,218	$2,547,391
	Annual Reserve Contribution	$569,400	$614,952	$664,148	$717,280	$774,662
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$18,849	$14,187	$17,982	$22,229	$19,495
	Total Income	$3,218,961	$1,769,900	$2,379,931	$2,639,727	$3,341,549
#	Component					
	Sewer					
336	Mechanical Equipment - Replace	$0	$0	$0	$0	$0
1031	Groundwater Well - Repair	$0	$0	$0	$0	$0
1860	1994 Ford Dump Truck - Replace	$0	$0	$0	$0	$49,522
1861	2001 Ford F250 - Replace	$0	$36,050	$0	$0	$0
1863	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$0	$0
1865	2010 Ford Ranger - Replace 50%	$0	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$47,950	$0	$0	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$51,350	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$770,600	$0	$0	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$263,000	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$945,300	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$146,059	$0	$0
1907	Sewer Jetting Unit - Replace	$0	$0	$0	$0	$0
	Waste Water Treatment Facility					
203	Asphalt - Seal/Repair	$0	$0	$0	$0	$0
302	Generators - Replace	$0	$0	$0	$0	$0
312	Pumping Stations - Repair	$0	$0	$0	$0	$393,928
313	Tertiary Effluent - Replace	$0	$0	$0	$0	$0
336	Air Compressors - Replace	$0	$0	$0	$0	$0
337	Solar Pond Circulator - Replace	$0	$0	$59,410	$0	$0
521	Fencing - Replace/Repair	$0	$0	$0	$0	$0
941	Storage Buildings - Refurbish	$0	$0	$0	$0	$0
1005	Filtration Valves - Replace	$0	$0	$0	$0	$0
1011	WW Treatment Facility - Rehab	$0	$0	$0	$0	$0
1015	Chemical Storage Room - Repair	$0	$0	$0	$0	$0
1015	Chlorine Contact Tank - Repair	$0	$0	$0	$0	$0
1015	Hydro Tank - Replace	$0	$0	$0	$0	$0
1030	Equip & Devices - Partial Replace	$0	$0	$0	$0	$0
1105	Exterior Surfaces - Repaint	$0	$0	$0	$0	$0
1113	Tertiary Stations - Repair/Repaint	$0	$0	$0	$0	$0
1206	Filters - Replace 33%	$0	$0	$0	$0	$506,479
1703	WWT Holding Ponds - Repair	$0	$0	$0	$0	$0
1712	Floating Aerators - Replace	$0	$0	$0	$0	$0
1810	Automated Gate - Replace	$0	$0	$0	$10,381	$0

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4) — 27003-0 SEWER

	Fiscal Year	2015	2016	2017	2018	2019
1864	Fuel Tank - Replace	$0	$0	$0	$0	$0
1904	EQ Basin - Repair	$0	$0	$0	$0	$0
1912	Chem. Storage Tanks - Reline/Repair	$0	$0	$0	$0	$0
2710	Aerator Brush Device - Repl 50%	$0	$0	$0	$0	$75,972
2711	Aerator Pumps - Repl 50%	$0	$0	$14,322	$0	$0
2712	Aerator Control Systems - Repl 50%	$0	$0	$0	$0	$0
	Lift Stations					
1	Main Lift N - Major Reconstruction	$0	$0	$0	$0	$0
2	Main Lift N - Minor Reconstruction	$0	$0	$0	$0	$0
3	Cantova - Major Reconstruction	$0	$0	$151,178	$0	$0
4	Cantova - Minor Reconstruction	$0	$0	$61,002	$0	$0
5	FAA - Major Reconstruction	$0	$0	$0	$0	$61,903
6	FAA - Minor Reconstruction	$0	$0	$0	$0	$33,765
7	6B - Major Reconstruction	$0	$0	$0	$0	$0
8	6B - Minor Reconstruction	$0	$0	$0	$0	$0
9	6A - Major Reconstruction	$0	$0	$0	$0	$0
10	6A - Minor Reconstruction	$0	$0	$0	$0	$0
11	3B - Major Reconstruction	$0	$0	$0	$0	$0
12	3B - Minor Reconstruction	$0	$0	$0	$0	$0
13	Alameda - Major Reconstruction	$0	$0	$0	$0	$0
14	Alameda - Minor Reconstruction	$0	$0	$0	$0	$0
15	Starter Shack- Major Reconstruction	$0	$0	$0	$65,564	$0
16	Starter Shack- Minor Reconstruction	$0	$0	$0	$16,391	$0
17	Main Lift S - Major Reconstruction	$0	$0	$0	$0	$675,305
18	Main Lift S - Minor Reconstruction	$0	$0	$0	$0	$191,336
19	Crest - Major Reconstruction	$0	$0	$0	$0	$0
20	Crest - Minor Reconstruction	$0	$0	$47,741	$0	$0
21	Greens - Major Reconstruction	$0	$0	$0	$0	$0
22	Greens - Minor Reconstruction	$0	$36,050	$0	$0	$0
23	Minor Lift Stations - Repair	$0	$0	$0	$0	$0
	Total Expenses	$2,078,200	$72,100	$479,712	$92,335	$1,988,211
	Ending Reserve Balance:	$1,140,761	$1,697,800	$1,900,218	$2,547,391	$1,353,338

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9) — 27003-0 SEWER

#	Fiscal Year	2020	2021	2022	2023	2024
	Starting Reserve Balance	$1,353,338	$1,518,267	$2,022,387	$3,023,457	$3,575,145
	Annual Reserve Contribution	$836,635	$903,566	$975,852	$1,053,920	$1,093,442
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$14,352	$17,696	$25,219	$32,979	$41,408
	Total Income	$2,204,325	$2,439,529	$3,023,457	$4,110,355	$4,709,995
#	Component					
	Sewer					
336	Mechanical Equipment - Replace	$40,575	$0	$0	$0	$0
1031	Groundwater Well - Repair	$0	$0	$0	$0	$0
1860	1994 Ford Dump Truck - Replace	$0	$0	$0	$0	$0
1861	2001 Ford F250 - Replace	$0	$0	$0	$0	$0
1863	2003 Ford F150 - Replace	$31,300	$0	$0	$0	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$28,502	$0
1865	2010 Ford Ranger - Replace 50%	$0	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$0	$0	$0	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$417,142	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$0	$0	$0
1907	Sewer Jetting Unit - Replace	$0	$0	$0	$0	$0
	Waste Water Treatment Facility					
203	Asphalt - Seal/Repair	$153,604	$0	$0	$0	$0
302	Generators - Replace	$0	$0	$0	$0	$0
312	Pumping Stations - Repair	$0	$0	$0	$0	$0
313	Tertiary Effluent - Replace	$28,982	$0	$0	$0	$0
336	Air Compressors - Replace	$41,618	$0	$0	$0	$0
337	Solar Pond Circulator - Replace	$0	$0	$0	$0	$0
521	Fencing - Replace/Repair	$0	$0	$0	$0	$0
941	Storage Buildings - Refurbish	$0	$0	$0	$0	$0
1005	Filtration Valves - Replace	$0	$0	$0	$0	$0
1011	WW Treatment Facility - Rehab	$0	$0	$0	$0	$0
1015	Chemical Storage Room - Repair	$0	$0	$0	$0	$0
1015	Chlorine Contact Tank - Repair	$0	$0	$0	$0	$0
1015	Hydro Tank - Replace	$0	$0	$0	$0	$0
1030	Equip & Devices - Partial Replace	$114,188	$0	$0	$0	$0
1105	Exterior Surfaces - Repaint	$0	$0	$0	$0	$0
1113	Tertiary Stations - Repair/Repaint	$0	$0	$0	$0	$0
1206	Filters - Replace 33%	$0	$0	$0	$0	$0
1703	WWT Holding Ponds - Repair	$0	$0	$0	$0	$0
1712	Floating Aerators - Replace	$153,024	$0	$0	$0	$0
1810	Automated Gate - Replace	$0	$0	$0	$12,034	$0

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9) — 27003-0 SEWER

	Fiscal Year	2020	2021	2022	2023	2024
1864	Fuel Tank - Replace	$0	$0	$0	$0	$0
1904	EQ Basin - Repair	$0	$0	$0	$0	$0
1912	Chem. Storage Tanks - Reline/Repair	$0	$0	$0	$0	$0
2710	Aerator Brush Device - Repl 50%	$0	$0	$0	$0	$0
2711	Aerator Pumps - Repl 50%	$0	$0	$0	$17,101	$0
2712	Aerator Control Systems - Repl 50%	$11,477	$0	$0	$0	$0
	Lift Stations					
1	Main Lift N - Major Reconstruction	$0	$0	$0	$0	$0
2	Main Lift N - Minor Reconstruction	$0	$0	$0	$0	$0
3	Cantova - Major Reconstruction	$0	$0	$0	$0	$0
4	Cantova - Minor Reconstruction	$0	$0	$0	$0	$0
5	FAA - Major Reconstruction	$0	$0	$0	$0	$0
6	FAA - Minor Reconstruction	$0	$0	$0	$0	$0
7	6B - Major Reconstruction	$0	$0	$0	$195,716	$0
8	6B - Minor Reconstruction	$0	$0	$0	$57,005	$0
9	6A - Major Reconstruction	$0	$0	$0	$167,847	$0
10	6A - Minor Reconstruction	$0	$0	$0	$57,005	$0
11	3B - Major Reconstruction	$0	$0	$0	$0	$0
12	3B - Minor Reconstruction	$0	$0	$0	$0	$0
13	Alameda - Major Reconstruction	$69,556	$0	$0	$0	$0
14	Alameda - Minor Reconstruction	$17,389	$0	$0	$0	$0
15	Starter Shack- Major Reconstruction	$0	$0	$0	$0	$0
16	Starter Shack- Minor Reconstruction	$0	$0	$0	$0	$0
17	Main Lift S - Major Reconstruction	$0	$0	$0	$0	$0
18	Main Lift S - Minor Reconstruction	$0	$0	$0	$0	$0
19	Crest - Major Reconstruction	$0	$0	$0	$0	$0
20	Crest - Minor Reconstruction	$0	$0	$0	$0	$0
21	Greens - Major Reconstruction	$0	$0	$0	$0	$0
22	Greens - Minor Reconstruction	$0	$0	$0	$0	$0
23	Minor Lift Stations - Repair	$24,345	$0	$0	$0	$0
	Total Expenses	$686,058	$417,142	$0	$535,210	$0
	Ending Reserve Balance:	$1,518,267	$2,022,387	$3,023,457	$3,575,145	$4,709,995

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14) — 27003-0 SEWER

#	Fiscal Year	2025	2026	2027	2028	2029
	Starting Reserve Balance	$4,709,995	$4,617,901	$5,072,022	$5,768,467	$7,034,019
	Annual Reserve Contribution	$1,134,446	$1,176,987	$1,221,124	$1,266,917	$1,314,426
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$46,620	$48,429	$54,179	$63,985	$75,644
	Total Income	$5,891,060	$5,843,317	$6,347,326	$7,099,369	$8,424,089
#	Component					
	Sewer					
336	Mechanical Equipment - Replace	$0	$0	$0	$51,399	$0
1031	Groundwater Well - Repair	$0	$0	$0	$0	$0
1860	1994 Ford Dump Truck - Replace	$0	$0	$0	$0	$0
1861	2001 Ford F250 - Replace	$0	$0	$0	$0	$0
1863	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$0	$0
1865	2010 Ford Ranger - Replace 50%	$18,479	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$0	$0	$0	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$0	$0	$0
1907	Sewer Jetting Unit - Replace	$64,508	$0	$0	$0	$0
	Waste Water Treatment Facility					
203	Asphalt - Seal/Repair	$0	$0	$0	$0	$0
302	Generators - Replace	$0	$0	$0	$0	$0
312	Pumping Stations - Repair	$0	$0	$499,016	$0	$0
313	Tertiary Effluent - Replace	$0	$0	$0	$0	$0
336	Air Compressors - Replace	$0	$0	$0	$0	$0
337	Solar Pond Circulator - Replace	$0	$0	$79,843	$0	$0
521	Fencing - Replace/Repair	$131,704	$0	$0	$0	$0
941	Storage Buildings - Refurbish	$356,138	$0	$0	$0	$0
1005	Filtration Valves - Replace	$0	$0	$0	$0	$0
1011	WW Treatment Facility - Rehab	$0	$0	$0	$0	$0
1015	Chemical Storage Room - Repair	$23,653	$0	$0	$0	$0
1015	Chlorine Contact Tank - Repair	$0	$0	$0	$0	$0
1015	Hydro Tank - Replace	$0	$0	$0	$0	$0
1030	Equip & Devices - Partial Replace	$0	$0	$0	$0	$0
1105	Exterior Surfaces - Repaint	$0	$41,112	$0	$0	$0
1113	Tertiary Stations - Repair/Repaint	$0	$484,482	$0	$0	$0
1206	Filters - Replace 33%	$604,762	$0	$0	$0	$0
1703	WWT Holding Ponds - Repair	$73,915	$0	$0	$0	$0
1712	Floating Aerators - Replace	$0	$0	$0	$0	$0
1810	Automated Gate - Replace	$0	$0	$0	$13,951	$0

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14) — 27003-0 SEWER

	Fiscal Year	2025	2026	2027	2028	2029
1864	Fuel Tank - Replace	$0	$0	$0	$0	$0
1904	EQ Basin - Repair	$0	$0	$0	$0	$0
1912	Chem. Storage Tanks - Reline/Repair	$0	$0	$0	$0	$0
2710	Aerator Brush Device - Repl 50%	$0	$0	$0	$0	$0
2711	Aerator Pumps - Repl 50%	$0	$0	$0	$0	$20,420
2712	Aerator Control Systems - Repl 50%	$0	$0	$0	$0	$0
	Lift Stations					
1	Main Lift N - Major Reconstruction	$0	$0	$0	$0	$0
2	Main Lift N - Minor Reconstruction	$0	$0	$0	$0	$302,518
3	Cantova - Major Reconstruction	$0	$0	$0	$0	$0
4	Cantova - Minor Reconstruction	$0	$0	$0	$0	$0
5	FAA - Major Reconstruction	$0	$0	$0	$0	$0
6	FAA - Minor Reconstruction	$0	$0	$0	$0	$0
7	6B - Major Reconstruction	$0	$0	$0	$0	$0
8	6B - Minor Reconstruction	$0	$0	$0	$0	$0
9	6A - Major Reconstruction	$0	$0	$0	$0	$0
10	6A - Minor Reconstruction	$0	$0	$0	$0	$0
11	3B - Major Reconstruction	$0	$183,411	$0	$0	$0
12	3B - Minor Reconstruction	$0	$62,291	$0	$0	$0
13	Alameda - Major Reconstruction	$0	$0	$0	$0	$0
14	Alameda - Minor Reconstruction	$0	$0	$0	$0	$0
15	Starter Shack- Major Reconstruction	$0	$0	$0	$0	$0
16	Starter Shack- Minor Reconstruction	$0	$0	$0	$0	$0
17	Main Lift S - Major Reconstruction	$0	$0	$0	$0	$0
18	Main Lift S - Minor Reconstruction	$0	$0	$0	$0	$0
19	Crest - Major Reconstruction	$0	$0	$0	$0	$0
20	Crest - Minor Reconstruction	$0	$0	$0	$0	$0
21	Greens - Major Reconstruction	$0	$0	$0	$0	$0
22	Greens - Minor Reconstruction	$0	$0	$0	$0	$0
23	Minor Lift Stations - Repair	$0	$0	$0	$0	$0
	Total Expenses	$1,273,159	$771,295	$578,859	$65,350	$322,938
	Ending Reserve Balance:	$4,617,901	$5,072,022	$5,768,467	$7,034,019	$8,101,151

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19) — 27003-0 SEWER

#	Fiscal Year	2030	2031	2032	2033	2034
	Starting Reserve Balance	$8,101,151	$2,894,019	$3,345,140	$4,185,419	$5,458,311
	Annual Reserve Contribution	$1,363,717	$1,414,856	$1,467,913	$1,522,960	$1,580,071
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$54,952	$31,183	$37,637	$48,198	$61,009
	Total Income	$9,519,821	$4,340,058	$4,850,690	$5,756,577	$7,099,391
#	Component					
	Sewer					
336	Mechanical Equipment - Replace	$0	$0	$0	$0	$0
1031	Groundwater Well - Repair	$0	$0	$0	$0	$0
1860	1994 Ford Dump Truck - Replace	$0	$0	$0	$0	$0
1861	2001 Ford F250 - Replace	$0	$56,165	$0	$0	$0
1863	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$0	$0
1865	2010 Ford Ranger - Replace 50%	$0	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$0	$0	$0	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$138,737	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$256,557	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$0	$0	$0
1907	Sewer Jetting Unit - Replace	$0	$0	$0	$0	$0
	Waste Water Treatment Facility					
203	Asphalt - Seal/Repair	$206,431	$0	$0	$0	$0
302	Generators - Replace	$0	$0	$0	$0	$0
312	Pumping Stations - Repair	$0	$0	$0	$0	$0
313	Tertiary Effluent - Replace	$0	$0	$0	$0	$0
336	Air Compressors - Replace	$55,931	$0	$0	$0	$0
337	Solar Pond Circulator - Replace	$0	$0	$0	$0	$0
521	Fencing - Replace/Repair	$0	$0	$0	$0	$0
941	Storage Buildings - Refurbish	$0	$0	$0	$0	$0
1005	Filtration Valves - Replace	$0	$0	$0	$0	$0
1011	WW Treatment Facility - Rehab	$5,297,089	$0	$0	$0	$0
1015	Chemical Storage Room - Repair	$0	$0	$0	$0	$0
1015	Chlorine Contact Tank - Repair	$38,949	$0	$0	$0	$0
1015	Hydro Tank - Replace	$0	$0	$0	$0	$0
1030	Equip & Devices - Partial Replace	$153,460	$0	$0	$0	$0
1105	Exterior Surfaces - Repaint	$0	$0	$0	$0	$0
1113	Tertiary Stations - Repair/Repaint	$0	$0	$0	$0	$0
1206	Filters - Replace 33%	$0	$722,118	$0	$0	$0
1703	WWT Holding Ponds - Repair	$0	$0	$0	$0	$0
1712	Floating Aerators - Replace	$205,652	$0	$0	$0	$0
1810	Automated Gate - Replace	$0	$0	$0	$16,173	$0

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19) — 27003-0 SEWER

	Fiscal Year	2030	2031	2032	2033	2034
1864	Fuel Tank - Replace	$0	$0	$0	$0	$0
1904	EQ Basin - Repair	$264,854	$0	$0	$0	$0
1912	Chem. Storage Tanks - Reline/Repair	$249,275	$0	$0	$0	$0
2710	Aerator Brush Device - Repl 50%	$0	$0	$0	$0	$0
2711	Aerator Pumps - Repl 50%	$0	$0	$0	$0	$0
2712	Aerator Control Systems - Repl 50%	$15,424	$0	$0	$0	$0
	Lift Stations					
1	Main Lift N - Major Reconstruction	$0	$0	$0	$0	$0
2	Main Lift N - Minor Reconstruction	$0	$0	$0	$0	$0
3	Cantova - Major Reconstruction	$0	$0	$0	$0	$0
4	Cantova - Minor Reconstruction	$0	$0	$95,039	$0	$0
5	FAA - Major Reconstruction	$0	$0	$0	$0	$0
6	FAA - Minor Reconstruction	$0	$0	$0	$0	$52,605
7	6B - Major Reconstruction	$0	$0	$0	$0	$0
8	6B - Minor Reconstruction	$0	$0	$0	$0	$0
9	6A - Major Reconstruction	$0	$0	$0	$0	$0
10	6A - Minor Reconstruction	$0	$0	$0	$0	$0
11	3B - Major Reconstruction	$0	$0	$0	$0	$0
12	3B - Minor Reconstruction	$0	$0	$0	$0	$0
13	Alameda - Major Reconstruction	$0	$0	$0	$0	$0
14	Alameda - Minor Reconstruction	$0	$0	$0	$0	$0
15	Starter Shack- Major Reconstruction	$0	$0	$0	$0	$0
16	Starter Shack- Minor Reconstruction	$0	$0	$0	$25,536	$0
17	Main Lift S - Major Reconstruction	$0	$0	$0	$0	$0
18	Main Lift S - Minor Reconstruction	$0	$0	$0	$0	$298,096
19	Crest - Major Reconstruction	$0	$0	$495,854	$0	$0
20	Crest - Minor Reconstruction	$0	$0	$74,378	$0	$0
21	Greens - Major Reconstruction	$0	$160,471	$0	$0	$0
22	Greens - Minor Reconstruction	$0	$56,165	$0	$0	$0
23	Minor Lift Stations - Repair	$0	$0	$0	$0	$0
	Total Expenses	$6,625,802	$994,918	$665,271	$298,266	$350,701
	Ending Reserve Balance:	$2,894,019	$3,345,140	$4,185,419	$5,458,311	$6,748,690

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24) — 27003-0 SEWER

#	Fiscal Year	2035	2036	2037	2038	2039
	Starting Reserve Balance	$6,748,690	$7,459,341	$9,178,182	$10,069,409	$11,714,971
	Annual Reserve Contribution	$1,639,324	$1,700,799	$1,764,578	$1,830,750	$1,899,403
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$71,010	$83,152	$96,197	$108,876	$126,540
	Total Income	$8,459,024	$9,243,292	$11,038,958	$12,009,035	$13,740,914
#	Component					
	Sewer					
336	Mechanical Equipment - Replace	$0	$65,110	$0	$0	$0
1031	Groundwater Well - Repair	$84,255	$0	$0	$0	$0
1860	1994 Ford Dump Truck - Replace	$0	$0	$0	$0	$0
1861	2001 Ford F250 - Replace	$0	$0	$0	$0	$0
1863	2003 Ford F150 - Replace	$0	$0	$0	$53,287	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$44,406	$0
1865	2010 Ford Ranger - Replace 50%	$0	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$0	$0	$0	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$0	$0	$0
1907	Sewer Jetting Unit - Replace	$0	$0	$0	$0	$0
	Waste Water Treatment Facility					
203	Asphalt - Seal/Repair	$0	$0	$0	$0	$0
302	Generators - Replace	$0	$0	$0	$0	$0
312	Pumping Stations - Repair	$632,139	$0	$0	$0	$0
313	Tertiary Effluent - Replace	$45,153	$0	$0	$0	$0
336	Air Compressors - Replace	$0	$0	$0	$0	$0
337	Solar Pond Circulator - Replace	$0	$0	$107,302	$0	$0
521	Fencing - Replace/Repair	$0	$0	$0	$0	$0
941	Storage Buildings - Refurbish	$0	$0	$0	$0	$0
1005	Filtration Valves - Replace	$148,733	$0	$0	$0	$0
1011	WW Treatment Facility - Rehab	$0	$0	$0	$0	$0
1015	Chemical Storage Room - Repair	$0	$0	$0	$0	$0
1015	Chlorine Contact Tank - Repair	$0	$0	$0	$0	$0
1015	Hydro Tank - Replace	$0	$0	$0	$0	$0
1030	Equip & Devices - Partial Replace	$0	$0	$0	$0	$0
1105	Exterior Surfaces - Repaint	$0	$0	$0	$0	$0
1113	Tertiary Stations - Repair/Repaint	$0	$0	$0	$0	$0
1206	Filters - Replace 33%	$0	$0	$862,247	$0	$0
1703	WWT Holding Ponds - Repair	$0	$0	$0	$0	$0
1712	Floating Aerators - Replace	$0	$0	$0	$0	$0
1810	Automated Gate - Replace	$0	$0	$0	$18,749	$0

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24) — 27003-0 SEWER

	Fiscal Year	2035	2036	2037	2038	2039
1864	Fuel Tank - Replace	$0	$0	$0	$0	$0
1904	EQ Basin - Repair	$0	$0	$0	$0	$0
1912	Chem. Storage Tanks - Reline/Repair	$0	$0	$0	$0	$0
2710	Aerator Brush Device - Repl 50%	$0	$0	$0	$0	$137,214
2711	Aerator Pumps - Repl 50%	$24,383	$0	$0	$0	$0
2712	Aerator Control Systems - Repl 50%	$0	$0	$0	$0	$0
	Lift Stations					
1	Main Lift N - Major Reconstruction	$0	$0	$0	$0	$0
2	Main Lift N - Minor Reconstruction	$0	$0	$0	$0	$0
3	Cantova - Major Reconstruction	$0	$0	$0	$0	$0
4	Cantova - Minor Reconstruction	$0	$0	$0	$0	$0
5	FAA - Major Reconstruction	$0	$0	$0	$0	$0
6	FAA - Minor Reconstruction	$0	$0	$0	$0	$0
7	6B - Major Reconstruction	$0	$0	$0	$0	$0
8	6B - Minor Reconstruction	$0	$0	$0	$88,811	$0
9	6A - Major Reconstruction	$0	$0	$0	$0	$0
10	6A - Minor Reconstruction	$0	$0	$0	$88,811	$0
11	3B - Major Reconstruction	$0	$0	$0	$0	$0
12	3B - Minor Reconstruction	$0	$0	$0	$0	$0
13	Alameda - Major Reconstruction	$0	$0	$0	$0	$0
14	Alameda - Minor Reconstruction	$27,092	$0	$0	$0	$0
15	Starter Shack- Major Reconstruction	$0	$0	$0	$0	$0
16	Starter Shack- Minor Reconstruction	$0	$0	$0	$0	$0
17	Main Lift S - Major Reconstruction	$0	$0	$0	$0	$0
18	Main Lift S - Minor Reconstruction	$0	$0	$0	$0	$0
19	Crest - Major Reconstruction	$0	$0	$0	$0	$0
20	Crest - Minor Reconstruction	$0	$0	$0	$0	$0
21	Greens - Major Reconstruction	$0	$0	$0	$0	$0
22	Greens - Minor Reconstruction	$0	$0	$0	$0	$0
23	Minor Lift Stations - Repair	$37,928	$0	$0	$0	$0
	Total Expenses	$999,683	$65,110	$969,548	$294,064	$137,214
	Ending Reserve Balance:	$7,459,341	$9,178,182	$10,069,409	$11,714,971	$13,603,700

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29) — 27003-0 SEWER

#	Fiscal Year	2040	2041	2042	2043	2044
	Starting Reserve Balance	$13,603,700	$13,406,062	$14,607,843	$16,886,447	$17,406,506
	Annual Reserve Contribution	$1,970,631	$2,044,530	$2,121,199	$2,200,744	$2,283,272
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$134,991	$140,010	$157,405	$171,392	$171,194
	Total Income	$15,709,322	$15,590,602	$16,886,447	$19,258,583	$19,860,973
#	Component					
	Sewer					
336	Mechanical Equipment - Replace	$0	$0	$0	$0	$82,480
1031	Groundwater Well - Repair	$0	$0	$0	$0	$0
1860	1994 Ford Dump Truck - Replace	$0	$0	$0	$0	$103,689
1861	2001 Ford F250 - Replace	$0	$0	$0	$0	$0
1863	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$0	$0
1865	2010 Ford Ranger - Replace 50%	$28,789	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$0	$0	$0	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$0	$0	$0
1907	Sewer Jetting Unit - Replace	$0	$0	$0	$0	$0
	Waste Water Treatment Facility					
203	Asphalt - Seal/Repair	$277,426	$0	$0	$0	$0
302	Generators - Replace	$1,329,549	$0	$0	$0	$0
312	Pumping Stations - Repair	$0	$0	$0	$800,775	$0
313	Tertiary Effluent - Replace	$0	$0	$0	$0	$0
336	Air Compressors - Replace	$75,167	$0	$0	$0	$0
337	Solar Pond Circulator - Replace	$0	$0	$0	$0	$0
521	Fencing - Replace/Repair	$0	$0	$0	$0	$0
941	Storage Buildings - Refurbish	$0	$0	$0	$0	$0
1005	Filtration Valves - Replace	$0	$0	$0	$0	$0
1011	WW Treatment Facility - Rehab	$0	$0	$0	$0	$0
1015	Chemical Storage Room - Repair	$0	$0	$0	$0	$0
1015	Chlorine Contact Tank - Repair	$0	$0	$0	$0	$0
1015	Hydro Tank - Replace	$0	$37,740	$0	$0	$0
1030	Equip & Devices - Partial Replace	$206,237	$0	$0	$0	$0
1105	Exterior Surfaces - Repaint	$0	$64,051	$0	$0	$0
1113	Tertiary Stations - Repair/Repaint	$0	$754,807	$0	$0	$0
1206	Filters - Replace 33%	$0	$0	$0	$1,029,567	$0
1703	WWT Holding Ponds - Repair	$0	$0	$0	$0	$0
1712	Floating Aerators - Replace	$276,379	$0	$0	$0	$0
1810	Automated Gate - Replace	$0	$0	$0	$21,735	$0

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29) — 27003-0 SEWER

	Fiscal Year	2040	2041	2042	2043	2044
1864	Fuel Tank - Replace	$88,986	$0	$0	$0	$0
1904	EQ Basin - Repair	$0	$0	$0	$0	$0
1912	Chem. Storage Tanks - Reline/Repair	$0	$0	$0	$0	$0
2710	Aerator Brush Device - Repl 50%	$0	$0	$0	$0	$0
2711	Aerator Pumps - Repl 50%	$0	$29,114	$0	$0	$0
2712	Aerator Control Systems - Repl 50%	$20,728	$0	$0	$0	$0
	Lift Stations					
1	Main Lift N - Major Reconstruction	$0	$0	$0	$0	$2,356,566
2	Main Lift N - Minor Reconstruction	$0	$0	$0	$0	$471,313
3	Cantova - Major Reconstruction	$0	$0	$0	$0	$0
4	Cantova - Minor Reconstruction	$0	$0	$0	$0	$0
5	FAA - Major Reconstruction	$0	$0	$0	$0	$0
6	FAA - Minor Reconstruction	$0	$0	$0	$0	$0
7	6B - Major Reconstruction	$0	$0	$0	$0	$0
8	6B - Minor Reconstruction	$0	$0	$0	$0	$0
9	6A - Major Reconstruction	$0	$0	$0	$0	$0
10	6A - Minor Reconstruction	$0	$0	$0	$0	$0
11	3B - Major Reconstruction	$0	$0	$0	$0	$0
12	3B - Minor Reconstruction	$0	$97,047	$0	$0	$0
13	Alameda - Major Reconstruction	$0	$0	$0	$0	$0
14	Alameda - Minor Reconstruction	$0	$0	$0	$0	$0
15	Starter Shack- Major Reconstruction	$0	$0	$0	$0	$0
16	Starter Shack- Minor Reconstruction	$0	$0	$0	$0	$0
17	Main Lift S - Major Reconstruction	$0	$0	$0	$0	$0
18	Main Lift S - Minor Reconstruction	$0	$0	$0	$0	$0
19	Crest - Major Reconstruction	$0	$0	$0	$0	$0
20	Crest - Minor Reconstruction	$0	$0	$0	$0	$0
21	Greens - Major Reconstruction	$0	$0	$0	$0	$0
22	Greens - Minor Reconstruction	$0	$0	$0	$0	$0
23	Minor Lift Stations - Repair	$0	$0	$0	$0	$0
	Total Expenses	$2,303,260	$982,759	$0	$1,852,077	$3,014,047
	Ending Reserve Balance:	$13,406,062	$14,607,843	$16,886,447	$17,406,506	$16,846,925

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the Sewer Department change each year, this Reserve Study is by nature a "one-year" document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Sewer Department Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, and physical factors. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the CSD's situation.

We have relied upon the client to provide the current (or projected) Sewer Department Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Sewer Department Reserve Fund. In addition, we have considered the CSD's representation of current and historical Sewer Department Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our "Site Inspection Notes". No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves' liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the CSD to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced attorney specializing in CSD law.
Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU British Thermal Unit (a standard unit of energy)
DIA Diameter
GSF Gross Square Feet (area)
GSY Gross Square Yards (area)
HP Horsepower
LF Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an CSD total.

FFB = (Current Cost X Effective Age) / Useful Life

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a Sewer Department component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a Sewer Department component can be expected to serve its intended function.

Photographic Inventory Appendix

Comp # : 213 **Sewer/Streets - Repair** Quantity: Extensive GSF

Location : Throughout District

Funded? : No . Handled out of Operating budget. No Reserve funding necessary.

History :

Evaluation : When the sewer lines underground require replacement or repairs, many time it require the CSD to dig up the streets. It is their requirement to replace/repair the streets after they are done. Handled out of Operating budget. No Reserve funding necessary.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp # : 336 **Mechanical Equipment - Replace** Quantity: Various Equipment

Location : Sewer

Funded? : Yes

History :

Evaluation : No expectation replace all at one time. This component provides funding to replace equipment as needed at roughly the interval listed below.

Useful Life:
8 years

Remaining Life:
5 years

Best Case: $30,000 Worst Case: $40,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1000 **Van Vleck Sprayfield - Repair** Quantity: Extensive Sprayfield

Location : Van Vleck Sprayfield

Funded? : No . It is too difficult for us to predict the remaining useful life.

History :

Evaluation : We assume this will be a one time project and therefore does not require reserve funding. Update funding as future needs dictate.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp # : 1031 **Groundwater Well - Repair** Quantity: (5) Groundwater Wells

Location : Around WWT Facility

Funded? : Yes

History :

Evaluation : Unable to inspect at the time of the site visit. No issues reported. Testing is performed regularly to ensure that there in no seepage. This component provides funding for repairs at roughly the interval below. Update as future needs dictate.

Useful Life:
40 years

Remaining Life:
20 years

Best Case: $42,400 Worst Case: $50,900

Lower allowance to replace/repair Higher allowance to replace/repair

Cost Source: Client Asset List

Comp # : 1860 **1994 Ford Dump Truck - Replace** Quantity: (1) Ford F250, V#1665

Location : Sewer

Funded? : Yes

History :

Evaluation : 1994 Ford F250 Dump Truck. Current mileage: 36,447. In fair condition. Lots of rust noted on the interior and exterior of car. Does not seem to be used frequently due to condition and low-mileage. We recommend running the engine on the vehicles periodically to keep in working order.

Useful Life:
25 years

Remaining Life:
4 years

Best Case: $40,000 Worst Case: $48,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1861 **2001 Ford F250 - Replace** Quantity: (1) Ford F250, V#8523

Location : Sewer

Funded? : Yes

History :

Evaluation : 2001 Ford F250 V#8523. Current mileage: 92,362. In fair condition. Dents are noted on the bed of the truck along with rust. Some areas of paint chipping can be seen.

Useful Life:
15 years

Remaining Life:
1 years

Best Case: $32,000 Worst Case: $38,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1862 **2002 Ford F550 - Replace** Quantity: (1) Ford F550, V#7090

Location : Sewer

Funded? : No . The CSD is planning to sell this vehicle as surplus. No Reserve funding needed.

History :

Evaluation : 2002 Ford F550. In fair to poor condition. The CSD is planning to sell this vehicle as surplus. No Reserve funding needed.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp # : 1863 **2003 Ford F150 - Replace** Quantity: (1) Ford F150, V#1750

Location : Sewer

Funded? : Yes

History :

Evaluation : 2003 Ford F150 STD Cab. Current mileage: 70,240. In good condition. One of the back tires seems to be a little low. We recommend a routine maintenance like tire pressure and break checks to maximize useful life of the vehicle. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
18 years

Remaining Life:
5 years

Best Case: $25,000 Worst Case: $29,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1864 **2008 Ford F350 - Replace 50%** Quantity: (1) Ford F350, V#0663

Location : Sewer

Funded? : Yes

History :

Evaluation : 2008 Ford F350 STD Cab. Diesel. Current mileage: 47,387. In good condition. 50% of this vehicle is funded out of Sewer and 50% out of Water. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
15 years

Remaining Life:
8 years

Best Case: $20,000 Worst Case: $25,000

Lower allowance to replace 50% Higher allowance to replace 50%

Cost Source: Current MSRP

Comp # : 1865 **2010 Ford Ranger - Replace 50%** Quantity: (1) Ford Ranger, V#8210

Location : Sewer

Funded? : Yes

History :

Evaluation : 2010 Ford Ranger. Current mileage: 12,946. 50% of this vehicle is funded out of Sewer and 50% out of Water. In good condition. No signs of dents or scratches. Ford no longer makes the Ranger, so replacement cost is for a comparable size vehicle. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
15 years

Remaining Life:
10 years

Best Case: $12,500 Worst Case: $15,000

Lower allowance to replace 50% Higher allowance to replace 50%

Cost Source: Current MSRP

Comp # : 1902 **Pipeline (Airport) - Replace 25%** Quantity: Approx 3,500 LF X 25%

Location : Airport

Funded? : Yes

History : Installed approx 1982.

Evaluation : This component provides funding to replace the sewer pipeline running to the Airport. Update timing and cost as needed.

Useful Life:
30 years

Remaining Life:
0 years

Photo Not Available

Best Case: $43,400 Worst Case: $52,500

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 **Pipeline (Alameda) - Replace 25%** Quantity: Approx 3,750 LF X 25%

Location : Alameda

Funded? : Yes

History : Installed approx 1974

Evaluation : This component provides funding to replace the Alameda Drive sewer pipeline. Update timing and cost as needed.

Useful Life:
30 years

Remaining Life:
0 years

Photo Not Available

Best Case: $46,500 Worst Case: $56,200

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipeline (MH Park) - Replace Quantity: Approx 11,250 LF

Location : Commercial - Mobile Home Park

Funded? : Yes

History : Original, Installed 1970.

Evaluation : Sewer pipes running to the Mobile Home Park are clay. Pipeline is in need of replacement in the near future. The CSD is deciding whether or not to repair/partially replace or abandon in place and install a completely new pipeline. This component provides funding to the replace the sewer lines running to Mobile Home Park at roughly the interval below. Update funding as future needs dictate.

Useful Life:
45 years

Remaining Life:
0 years

Photo Not Available

Best Case: $697,500 Worst Case: $843,700

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1902 Pipelines (N. Unit 1) - Replace 25% Quantity: Approx 19,200 LF X 25%

Location : Units 1-4 of RMCSD

Funded? : Yes

History : Installed 1974.

Evaluation : This component provides funding to replace the sewer pipeline running to Unit No. 1. Update timing and cost as needed.

Useful Life:
30 years

Remaining Life:
0 years

Photo Not Available

Best Case: $238,000 Worst Case: $288,000

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipelines (N. Units 2-4) - Repl 25% Quantity: Approx 69,000 LF X 25%

Location : North Side Units 1-4 of RMCSD

Funded? : Yes

History : Installed between 1979-1982.

Evaluation : This component provides funding to replace the sewer pipeline running to Units 2-4. Update timing and cost as needed.

Useful Life:
30 years

Remaining Life:
0 years

Photo Not Available

Best Case: $855,600 Worst Case: $1,035,000

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipelines (RM South) - Replace 25% Quantity: Approx 25,500 LF X 25%

Location : Rancho Murieta South

Funded? : Yes

History : Installed between 1990-1992.

Evaluation : This component provides funding to replace the sewer pipeline running to Rancho Murieta South Units; 1A/B, 2A/B, 3, 4, 5, 6. Update timing and cost as needed.

Useful Life:
30 years

Remaining Life:
6 years

Photo Not Available

Best Case: $316,200 Worst Case: $382,500

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipelines (South 7&8) - Replace 25% Quantity: Approx 6,500 LF X 25%

Location : Rancho Murieta South - Units 7 & 8

Funded? : Yes

History : Installed between 1999-2001.

Evaluation : This component provides funding to replace the sewer pipeline running to Rancho Murieta South Units 7 & 8. Update timing and cost as needed.

Useful Life:
30 years

Remaining Life:
15 years

Photo Not Available

Best Case: $80,600 Worst Case: $97,500

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipelines (South Newest) - Repl 25% Quantity: Approx 11,000 LF X 25%

Location : Rancho Murieta South - Unit 9 , Crest & Greens

Funded? : Yes

History : Installed between 2002-2004.

Evaluation : This component provides funding to replace the sewer pipeline running to Rancho Murieta South; Unit 9 , Crest & Greens. Update timing and cost as needed.

Useful Life:
30 years

Remaining Life:
18 years

Photo Not Available

Best Case: $136,400 Worst Case: $165,000

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 **Pipelines (Unit 6) - Repl 25%** Quantity: Approx 10,100 LF X 25%

Location : Rancho Murieta North - Unit 6

Funded? : Yes

History :

Evaluation : This component provides funding to replace the water pipeline running to Rancho Murieta North, Unit 6. 5,600' of 14", 5,650' of 8", and 550' of 6" of class 150 C900 pipe. Update timing and cost as needed.

Useful Life:
30 years

Remaining Life:
2 years

Photo Not Available

Best Case: $125,150 Worst Case: $150,200

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1907 **Sewer Jetting Unit - Replace** Quantity: Sewer Jetting Equipment

Location : Sewer

Funded? : Yes

History :

Evaluation : This component provides funding to replace the sewer jetting unit at roughly the interval below. Update timing and cost as future needs dictate.

Useful Life:
20 years

Remaining Life:
10 years

Photo Not Available

Best Case: $43,000 Worst Case: $53,000

Lower allowance to replace Higher allowance to replace

Cost Source: Client Asset List

Comp # : 203 **Asphalt - Seal/Repair** Quantity: Approx 246,650 GSF

Location : WWT Facility

Funded? : Yes

History :

Evaluation : We recommend having surface sealed and repaired regularly for maximum design life. Even with ordinary care and maintenance, plan for eventual large scale resurface at roughly the time frame below.

Useful Life:
10 years

Remaining Life:
5 years

Best Case: $120,000 Worst Case: $145,000

Lower allowance to seal/repair Higher allowance to seal/repair

Cost Source: ARSF Cost Database

Comp # : 302 **Generators - Replace** Quantity: Generators

Location : WWT Facility

Funded? : Yes

History :

Evaluation : In good condition. No issues reported at the time of site visit. Provide regularly inspection and maintenance. We recommend setting aside funding for replacement at roughly the interval below. Update timing and cost as future needs dictate.

Useful Life:
50 years

Remaining Life:
25 years

Best Case: $550,000 Worst Case: $720,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 312 **Pumping Stations - Repair** Quantity: (3) Pump Stations

Location : WWT Facility

Funded? : Yes

History :

Evaluation : There are (3) Pump stations, (9) pumps, located at the WWT Facility; Tertiary Pump Station, Backwash Pumps, Reclaimed Water Pumps, This component provides funding for periodic repairs to pumps and controls as needed at roughly the interval below.

Useful Life:
8 years

Remaining Life:
4 years

Best Case: $300,000 Worst Case: $400,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 313 **Tertiary Effluent - Replace** Quantity: Filtered Tert. Effluent

Location : Effluent Into EQ Basin

Funded? : Yes

History :

Evaluation : Filtered Tertiary Effluent into Equalization Basin. Effluent appeared to be in good condition and functional during our site inspection. This component provides funding for replacement at roughly the interval below. Update as future needs dictate.

Useful Life:
15 years

Remaining Life:
5 years

Best Case: $20,000 Worst Case: $30,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 336 **Air Compressors - Replace** Quantity: (4) Air Compressors

Location : Throughout District

Funded? : Yes

History :

Evaluation : No issues reported. This component provides funding to replace air compressors at roughly the interval below. Update timing and cost as future needs dictate.

Useful Life:
10 years

Remaining Life:
5 years

Best Case: $29,900 Worst Case: $41,900

Lower allowance to replace Higher allowance to replace

Cost Source: Client Asset List

Comp # : 337 **Solar Pond Circulator - Replace** Quantity: (1) Solar Pond Circulator

Location : WWT Facility - Pond 4

Funded? : Yes

History :

Evaluation : Unable to inspect closely. Assume functional. Due to technology, we recommend replacement of the pond circulators at roughly the interval below. Update as future needs dictate.

Useful Life:
10 years

Remaining Life:
2 years

Best Case: $51,000 Worst Case: $61,000

Lower allowance to replace Higher allowance to replace

Cost Source: Client Cost History

Comp # : 521 **Fencing - Replace/Repair** Quantity: Approx 4,900 LF

Location : Perimeter of WWT Facility

Funded? : Yes

History :

Evaluation : Fencing surrounds the WWT Facility with (1) vehicle entrance gate operated by a barcode reader system. Fencing is in good condition with no major damage or gaps noted. Plan for repairs/ partial replacement at roughly the interval below.

Useful Life:
25 years

Remaining Life:
10 years

Best Case: $88,200 Worst Case: $107,800

Lower allowance to replace/repair Higher allowance to replace/repair

Cost Source: ARSF Cost Database

Comp # : 941 **Storage Buildings - Refurbish** Quantity: Approx 7,730 GSF

Location : WWT Facility

Funded? : Yes

History :

Evaluation : (2) Storage buildings in the WWT Facility. One enclosed storage building and one open-air storage shed structure. No expectation to replace either building completely. This component provides funding for general refurbishment at roughly the interval below.

Useful Life:
30 years

Remaining Life:
10 years

Best Case: $240,000 Worst Case: $290,000

Lower allowance to refurbish Higher allowance to refurbish

Cost Source: ARSF Cost Database

Comp # : 1005 **Filtration Valves - Replace** Quantity: (3) Filtration Valves

Location : WWT Facility

Funded? : Yes

History :

Evaluation : No problems reported at the time of site visit. This component provides funding to replace the valves at roughly the interval below. Update timing and funding as future needs dictate.

Useful Life:
30 years

Remaining Life:
20 years

Photo Not Available

Best Case: $74,900 Worst Case: $89,800

Lower allowance to replace Higher allowance to replace

Cost Source: Client Cost History

Comp # : 1011 **WW Treatment Facility - Rehab** Quantity: WW Treatment Facility

Location : WWT Facility

Funded? : Yes

History :

Evaluation : WWT Facility main building & equipment is in good condition. No expectation to replace. This component provides funding for periodic upgrades, repairs and improvements to the building, technology & equipment located at the WWT Facility.

Useful Life:
40 years

Remaining Life:
15 years

Best Case: $2,800,000 Worst Case: $4,000,000

Lower allowance to rehab Higher allowance to rehab

Cost Source: ARSF Cost Database

Comp # : 1015 **Chemical Storage Room - Repair** Quantity: (1) Chem. Storage Room

Location : WWT Facility

Funded? : Yes

History :

Evaluation : Chemical storage facility holds various tanks, containers and equipment for the chemicals used for treatment at the Waste Water Treatment Facility. The storage room is good condition. All materials are secured in the locked facility. This component provides funding to repair the room and chemical connections as needed.

Useful Life:
30 years

Remaining Life:
10 years

Best Case: $16,000 Worst Case: $19,200

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 1015 **Chlorine Contact Tank - Repair** Quantity: (1) Tank

Location : WWT Facility

Funded? : Yes

History :

Evaluation : No expectation to replace completely. This component provides funding for periodic repairs as needed due to prolonged, direct exposure to chemicals. Update timing and cost as future needs dictate.

Useful Life:
40 years

Remaining Life:
15 years

Best Case: $20,000 Worst Case: $30,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 1015 **Hydro Tank - Replace** Quantity: (1) Saturation Vessel

Location : WWT Facility

Funded? : Yes

History : Replaced in 2011.

Evaluation : Air saturation tank was replaced in 2011 due to corrosion. This component provides funding to replace the tank at roughly the interval below. Update funding and timing as future needs dictate.

Useful Life:
30 years

Remaining Life:
26 years

Best Case: $15,000 Worst Case: $20,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1030 **Equip & Devices - Partial Replace** Quantity: Reading Devices/Equipment

Location : WWT Facility

Funded? : Yes

History :

Evaluation : The Waste Water Treatment Facility office requires numerous reading devices, equipment, meters, recorders, etc. Association with operating the Facility. This component provides general funding to replace the necessary equipment at roughly the interval below. Update timing and funding as future needs dictate.

Useful Life:
10 years

Remaining Life:
5 years

Best Case: $72,000 Worst Case: $125,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1105 **Exterior Surfaces - Repaint** Quantity: Approx 2,000 GSF

Location : WWT Facility

Funded? : Yes

History : Repainted in 2011.

Evaluation : No significant chipping or peeling. The exterior surfaces are in fair condition at this time. We recommend repainting every 12-15 years to maintain the appearance of the facility and to protect exterior surfaces.

Useful Life:
15 years

Remaining Life:
11 years

Best Case: $27,000 Worst Case: $32,400

Lower allowance to paint Higher allowance to paint

Cost Source: ARSF Cost Database

Comp # : 1113 **Tertiary Stations - Repair/Repaint** Quantity: (2) Tertiary Treatment St

Location : WWT Facility

Funded? : Yes

History : Repaired and painted in 2011.

Evaluation : This component includes repairs as well as repainting & coating the stations. Stations are in good condition. No corrosion or damage noted. Plan to repair and repaint/recoat at roughly the interval listed below. Update as future needs dictate.

Useful Life:
15 years

Remaining Life:
11 years

Best Case: $300,000 Worst Case: $400,000

Lower allowance to repair/repaint Higher allowance to repair/repaint

Cost Source: ARSF Cost Database

Comp # : 1206 **Filters - Replace 33%** Quantity: (6) Filters

Location : (3) Filters Per Station - (2) Stations at WWT Facility

Funded? : Yes

History :

Evaluation : This component provides funding to replace (2) of (6) filters every 6 years. Update funding and timing as future needs dictate.

Useful Life:
6 years

Remaining Life:
4 years

Best Case: $400,000 Worst Case: $500,000

Lower allowance to replace 2 filters Higher allowance to replace 2 filters

Cost Source: ARSF Cost Database

Comp # : 1703 **WWT Holding Ponds - Repair** Quantity: Approx 1,567,120 GSF

Location : WWT Facility

Funded? : Yes

History :

Evaluation : (4) Ponds, (2) Reservoirs. Approx 364,765 GSF - Ponds. EQ Basin is funded separately in Comp #1904. Approx 1,202,355 GSF of Reservoir. A series of (5) ponds treats wastewater daily. Wastewater is moved from one pond to the next in order of treatment. Treated wastewater is then stored in (2) reservoirs until needed for reclamation use by RMCC during summer months. No expectation for replacement. This component provides funding for periodic repairs for the ponds as needed.

Useful Life:
30 years

Remaining Life:
10 years

Best Case: $50,000 Worst Case: $60,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 1712 **Floating Aerators - Replace** Quantity: (10) Floating Aerators

Location : WWT Facility - (3) Pond 1, (1) Pond 2, (2) Each in Ponds 3, 4 & 5

Funded? : Yes

History :

Evaluation : Unable to closely inspect the pond evaporators at the time of site visit. Assume functional. This component provides funding for replacement at roughly the interval below. Update timing and cost as future needs dictate.

Useful Life:
10 years

Remaining Life:
5 years

Best Case: $120,000 Worst Case: $144,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1810 **Automated Gate - Replace** Quantity: (1) Automated Gate

Location : WWT Facility Entrance Gate

Funded? : Yes

History :

Evaluation : Technology like barcode reading equipment has a relatively short useful life (depending on the application and level of use) due to advancements in technology. Plan to replace/upgrade the existing equipment at the approximate interval shown here to ensure proper function and uninterrupted service. Keep track of any partial replacements and include cost history during future Reserve Study updates.

Useful Life:
5 years

Remaining Life:
3 years

Best Case: $8,500 Worst Case: $10,500

Lower allowance to replace Higher allowance to replace

Cost Source: Client Asset List

Comp # : 1864 **Fuel Tank - Replace** Quantity: Fuel Tank

Location : WWT Facility

Funded? : Yes

History :

Evaluation : No problems reported at the time of site visit. Appears to be in good condition with no rusting or leaking noted. This component provides funding for disposal and replacement of the fuel tank at roughly the interval listed below. Update timing and cost as future needs dictate.

Useful Life:
30 years

Remaining Life:
25 years

Best Case: $35,000 Worst Case: $50,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1904 **EQ Basin - Repair** Quantity: Approx 48,000 GSF

Location : WWT Facility

Funded? : Yes

History :

Evaluation : No leaks or cracking noted. Basin appears to be in good condition. This component provides funding to repair the EQ Basin structure and tubing as needed at roughly the interval below. Update timing and cost as future needs dictate.

Useful Life:
30 years

Remaining Life:
15 years

Best Case: $150,000 Worst Case: $190,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 1912 **Chem. Storage Tanks - Reline/Repair** Quantity: (3) Storage Containers

Location : WWT Facility

Funded? : Yes

History :

Evaluation : No leaks or major issues noted. No expectation to fully replace the storage bunkers. This component provides funding to reline and/or repair at roughly the interval below. Update timing and cost as future needs dictate.

Useful Life:
30 years

Remaining Life:
15 years

Best Case: $120,000 Worst Case: $200,000

Lower allowance to reline/repair Higher allowance to reline/repair

Cost Source: ARSF Cost Database

Comp # : 2710 **Aerator Brush Device - Repl 50%** Quantity: (5) Aerated Brush

Location : WWT Facility - (2) Pond 1, (2) Pond 2, and (1) Pond 3

Funded? : Yes

History :

Evaluation : Some aerator brushes appear to be in better/new condition than others. Some show signs of significant build-up. Reported that at least one was replaced in recent years. For budgeting purposes we have anticipated the need to replace 2-3 of the 5 every 20 years.

Useful Life:
20 years

Remaining Life:
4 years

Best Case: $60,000 Worst Case: $75,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 2711 **Aerator Pumps - Repl 50%** Quantity: (4) Pumps, 10hp

Location : WWT Facility

Funded? : Yes

History :

Evaluation : Several pumps have been replaced in recent years. We recommend funding to replace 2 of the 4 pumps every 6 years.

Useful Life:
6 years

Remaining Life:
2 years

Best Case: $12,500 Worst Case: $14,500

Lower allowance to replace Higher allowance to replace

Cost Source: Client Cost History

Comp # : 2712 **Aerator Control Systems - Repl 50%** Quantity: (2) Aerator Controls

Location : WWT Facility

Funded? : Yes

History :

Evaluation : No expectation to replace all controllers at anyone time. This component provides funding to replace 1 every 10-yrs. Update timing and cost as future needs dictate.

Useful Life:
10 years

Remaining Life:
5 years

Photo Not Available

Best Case: $9,000 Worst Case: $10,800

Lower allowance to repair/replace Higher allowance to repair/replace

Cost Source: Client Cost History

Comp # : 1 **Main Lift N - Major Reconstruction** Quantity: (1) Sewer Lift Station

Location : Near Gas Station and Fire House

Funded? : Yes

History : Rebuilt in 2014.

Evaluation : Main Lift North (MLN). 12" Force Main of approx 7,067LF. Lift Station pumps directly to the Wastewater Facility. Average monthly flow of 345,000 gallons per day. Control panels enclosed inside locked, protected building. (1) Air scrubber, (2) Wet well, (2) Influent wet well grinders, sewage pumps, motor control center, back up generator, and above ground fuel storage tank. This component provides funding for major reconstruction to the lift station every 30 years.

Useful Life:
30 years

Remaining Life:
29 years

Best Case: $550,000 Worst Case: $1,450,000

Lower allowance for major reconstruction Higher allowance for major reconstruction

Cost Source: Client Cost History

Comp # : 2 **Main Lift N - Minor Reconstruction** Quantity: (1) Sewer Lift Station

Location : Near Gas Station and Fire House

Funded? : Yes

History : Rebuilt in 2014.

Evaluation : Main Lift North (MLN). 12" Force Main of approx 7,067LF. Lift Station pumps directly to the Wastewater Facility. Average monthly flow of 345,000 gallons per day. Control panels enclosed inside locked, protected building. (1) Air scrubber, (2) Wet well, (2) Influent wet well grinders, sewage pumps, motor control center, back up generator. This component provides funding for minor reconstruction, including repair/replacement of pumps every 15 years.

Useful Life:
15 years

Remaining Life:
14 years

Best Case: $150,000 Worst Case: $250,000

Lower allowance for minor reconstruction Higher allowance for minor reconstruction

Cost Source: ARSF Cost Database

Comp # : 3 **Cantova - Major Reconstruction** Quantity: (1) Sewer Lift Station

Location : Murieta Drive at Cantova Way - Near Airport

Funded? : Yes

History : Built approx 1987.

Evaluation : The Cantova sewage lift station serves to pump sewage to Main Lift North. There is one 6” gravity sanitary sewer inlet from the rear of the mobile home park and one 10” gravity sewer from Cantova Way. The Airport’s pump station and the FAA lift station both pump into the Cantova pump station. Station has a 4" Force Main with approx 2,488 LF of piping. Equipment includes; (2) 5HP submersible, clog-free centrifugal sewage pumps; Tesco L2000 control panel, Microtel auto-dialer, submersed concrete weighted bubbler bell, 116 HP diesel generator, and a 59 gallon diesel storage tank mounted under the generator. This component provides funding for major reconstruction to the lift station every 30 years.

Useful Life:
30 years

Remaining Life:
2 years

Best Case: $120,000

Lower allowance for major reconstruction

Worst Case: $165,000

Higher allowance for major reconstruction

Cost Source: ARSF Cost Database

Comp # : 4 **Cantova - Minor Reconstruction** Quantity: (1) Sewer Lift Station

Location : Murieta Drive at Cantova Way - Near Airport

Funded? : Yes

History : Built approx 1987.

Evaluation : The Cantova sewage lift station serves to pump sewage to Main Lift North. There is one 6” gravity sanitary sewer inlet from the rear of the mobile home park and one 10” gravity sewer from Cantova Way. The Airport’s pump station and the FAA lift station both pump into the Cantova pump station. Station has a 4" Force Main with approx 2,488 LF of piping. Equipment includes; (2) 5HP submersible, clog-free centrifugal sewage pumps; Tesco L2000 control panel, Microtel auto-dialer, submersed concrete weighted bubbler bell, 116 HP diesel generator, and a 59 gallon diesel storage tank mounted under the generator. This component provides funding for minor reconstruction, including repair/replacement of pumps and stainless steel guide rails every 15 years.

Useful Life:
15 years

Remaining Life:
2 years

Best Case: $40,000

Lower allowance for minor reconstruction

Worst Case: $75,000

Higher allowance for minor reconstruction

Cost Source: ARSF Cost Database

Comp # : 5 **FAA - Major Reconstruction** Quantity: (1) Sewer Lift Station

Location : Cantova Way Near Baseball Diamond

Funded? : Yes

History :

Evaluation : The FAA Lift Station is a dual-function facility. The station serves to pump sewage to the Cantova Lift Station and to pump storm water runoff from the Cantova Way Business Park area over the levee into the local farm diversion ditch. The station has a 4" Force Main with approx 740LF of piping. Equipment includes; (2) 5 hp submersible, centrifugal sewage pumps; wet well; Tesco Liq. IV control panel, and Microtel auto-dialer. No fuel tank at the station. Generator is brought from Cantova as needed. This component provides funding for major reconstruction to the lift station every 30 years.

Useful Life:
30 years

Remaining Life:
4 years

Best Case: $40,000

Lower allowance for major reconstruction

Worst Case: $70,000

Higher allowance for major reconstruction

Cost Source: ARSF Cost Database

Comp # : 6 **FAA - Minor Reconstruction** Quantity: (1) Sewer/Stormwater Lift

Location : Cantova Way Near Baseball Diamond

Funded? : Yes

History :

Evaluation : The FAA Lift Station is a dual-function facility. The station serves to pump sewage to the Cantova Lift Station and to pump storm water runoff from the Cantova Way Business Park area over the levee into the local farm diversion ditch. The station has a 4" Force Main with approx 740LF of piping. Equipment includes; (2) 5 hp submersible, centrifugal sewage pumps; Tesco Liq. IV control panel, and Microtel auto-dialer. No fuel tank at the station. Generator is brought from Cantova as needed. This component provides funding for minor reconstruction, including repair/replacement of pumps and stainless steel guide rails every 15 years.

Useful Life:
15 years

Remaining Life:
4 years

Best Case: $25,000

Lower allowance for minor reconstruction

Worst Case: $35,000

Higher allowance for minor reconstruction

Cost Source: ARSF Cost Database

Comp # : 7 **6B - Major Reconstruction** Quantity: (1) Sewer Lift Station

Location : On Golf Course, North Side of River, Near Granlees Estate

Funded? : Yes

History :

Evaluation : The 6-B Lift Station is a single function sewage pumping facility. Station has (2) Force Mains, 10" and 4" of approx 3,005LF each. Force main pump station feeding directly to the Wastewater plant. Average flow is 17,000 gallons a day. Equipment includes; (2) 5HP submersible sewage pumps; 6" Sparling magnetic flow meter; (2) sewage grinders; Tesco Liq. IV control panel, and a Sensaphone II auto-dialer. Automated generator back-up power through propane generator, which is shared with 6A. No fuel tank on site. This component provides funding for major reconstruction to the lift station every 30 years.

Useful Life:
30 years

Remaining Life:
8 years

Best Case: $120,000

Lower allowance for major reconstruction

Worst Case: $189,000

Higher allowance for major reconstruction

Cost Source: ARSF Cost Database

Comp # : 8 **6B - Minor Reconstruction** Quantity: (1) Sewer Lift Station

Location : On Golf Course, North Side of River, Near Granlees Estate

Funded? : Yes

History :

Evaluation : The 6-B Lift Station is a single function sewage pumping facility. Station has (2) Force Mains, 10" and 4" of approx 3,005LF each. Force main pump station feeding directly to the Wastewater plant. Average flow is 17,000 gallons a day. Equipment includes; (2) 5HP submersible sewage pumps; 6" Sparling magnetic flow meter; (2) sewage grinders; Tesco Liq. IV control panel, and a Sensaphone II auto-dialer. Automated generator back-up power through propane generator, which is shared with 6A. No fuel tank on site. This component provides funding for minor reconstruction, including repair/replacement of pumps and stainless steel guide rails every 15 years.

Useful Life:
15 years

Remaining Life:
8 years

Best Case: $40,000 Worst Case: $50,000

Lower allowance for minor reconstruction Higher allowance for minor reconstruction

Cost Source: ARSF Cost Database

Comp # : 9 **6A - Major Reconstruction** Quantity: (1) Sewer Lift Station

Location : Near End of De La Cruz Way, on Golf Course

Funded? : Yes

History :

Evaluation : The 6-A Lift Station is a single function sewage pumping facility. Station has (1) 4" Force Main with approx 1,690 LF of piping. Equipment includes; (2) 5HP submersible pumps; Tesco Liq. IV control panel, and a portable generator, which is shared with 6B. No fuel tank on site. This component provides funding for major reconstruction to the lift station every 30 years.

Useful Life:
30 years

Remaining Life:
8 years

Photo Not Available

Best Case: $120,000 Worst Case: $145,000

Lower allowance for major reconstruction Higher allowance for major reconstruction

Cost Source: ARSF Cost Database

Comp # : 10 **6A - Minor Reconstruction** Quantity: (1) Sewer Lift Station

Location : Near End of De La Cruz Way, on Golf Course

Funded? : Yes

History :

Evaluation : The 6-A Lift Station is a single function sewage pumping facility. Station has (1) 4" Force Main with approx 1,690 LF of piping. Equipment includes; (2) 5HP submersible pumps; Tesco Liq. IV control panel, and a portable generator, which is shared with 6B. No fuel tank on site. This component provides funding for minor reconstruction, including repair/replacement of pumps and stainless steel guide rails every 15 years.

Useful Life:
15 years

Remaining Life:
8 years

Photo Not Available

Best Case: $40,000 Worst Case: $50,000

Lower allowance for minor reconstruction Higher allowance for minor reconstruction

Cost Source: ARSF Cost Database

Comp # : 11 **3B - Major Reconstruction** Quantity: (1) Sewer Lift Station

Location : Camino De Lago at Clemntia Cir, Near Lake Chesbro

Funded? : Yes

History :

Evaluation : The 3-B Lift Station is a single function sewage pumping facility. Station has (1) 4" Force Main with approx 390 LF of piping. Equipment includes; (2) 2HP submersible pumps. This component provides funding for major reconstruction to the lift station every 30 years.

Useful Life:
30 years

Remaining Life:
11 years

Best Case: $120,000 Worst Case: $145,000

Lower allowance for major reconstruction Higher allowance for major reconstruction

Cost Source: ARSF Cost Database

Comp # : 12 **3B - Minor Reconstruction** Quantity: (1) Sewer Lift Station

Location : Camino De Lago at Clemntia Cir, Near Lake Chesbro

Funded? : Yes

History :

Evaluation : The 3-B Lift Station is a single function sewage pumping facility. Station has (1) 4" Force Main with approx 390 LF of piping. Equipment includes; (2) 2HP submersible pumps. This component provides funding for minor reconstruction, including repair/replacement of pumps and stainless steel guide rails every 15 years.

Useful Life:
15 years

Remaining Life:
11 years

Best Case: $40,000 Worst Case: $50,000

Lower allowance for minor reconstruction Higher allowance for minor reconstruction

Cost Source: ARSF Cost Database

Comp # : 13 **Alameda - Major Reconstruction** Quantity: (1) Sewer Lift Station

Location : On Golf Course, Near Clubhouse

Funded? : Yes

History :

Evaluation : The Alameda Lift Station is a single function sewage pumping facility. Station has (1) 4" Force Main with approx 464 LF of piping. This component provides funding for major reconstruction to the lift station every 30 years.

Useful Life:
30 years

Remaining Life:
5 years

Best Case: $50,000 Worst Case: $70,000

Lower allowance for major reconstruction Higher allowance for major reconstruction

Cost Source: ARSF Cost Database

Comp # : 14 **Alameda - Minor Reconstruction** Quantity: (1) Sewer Lift Station

Location : On Golf Course, Near Clubhouse

Funded? : Yes

History :

Evaluation : The Alameda Lift Station is a single function sewage pumping facility. Station has (1) 4" Force Main with approx 464 LF of piping. This component provides funding for minor reconstruction, including repair/replacement of pumps and stainless steel guide rails every 15 years.

Useful Life:
15 years

Remaining Life:
5 years

Best Case: $10,000 Worst Case: $20,000

Lower allowance for minor reconstruction Higher allowance for minor reconstruction

Cost Source: ARSF Cost Database

Comp # : 15 **Starter Shack- Major Reconstruction** Quantity: (1) Sewer Lift Station

Location : Off Hwy 16 on South Side of River

Funded? : Yes

History :

Evaluation : The Starter Shack Lift Station is a single function sewage pumping facility. Station has (1) 2" Force Main with approx 18 LF of piping. This component provides funding for major reconstruction to the lift station every 30 years.

Useful Life:
30 years

Remaining Life:
3 years

Best Case: $50,000 Worst Case: $70,000

Lower allowance for major reconstruction Higher allowance for major reconstruction

Cost Source: ARSF Cost Database

Comp # : 16 **Starter Shack- Minor Reconstruction** Quantity: (1) Sewer Lift Station

Location : Off Hwy 16 on South Side of River

Funded? : Yes

History :

Evaluation : The Starter Shack Lift Station is a single function sewage pumping facility. Station has (1) 2" Force Main with approx 18 LF of piping. This component provides funding for minor reconstruction, including repair/replacement of pumps and stainless steel guide rails every 15 years.

Useful Life:
15 years

Remaining Life:
3 years

Best Case: $10,000 Worst Case: $20,000

Lower allowance for minor reconstruction Higher allowance for minor reconstruction

Cost Source: ARSF Cost Database

Comp # : 17 **Main Lift S - Major Reconstruction** Quantity: (1) Sewer/Stormwater Lift

Location : On Golf Course, South side of River Near Reynosa Dr

Funded? : Yes

History :

Evaluation : The Main Lift South Lift Station has (1) 10" Force Main with approx 3,005LF of piping. Lift Station pumps directly to the Wastewater facility. Average monthly flow of 140,000 gallons per day. Equipment includes; control panels, motor control center, PLC & Meter readouts, (1) backup generator, (2) sewage grinders, (3) sewage pumps, and (1) above ground 2,000 gallon diesel storage tank. This component provides funding for major reconstruction to the lift station every 30 years.

Useful Life:
30 years

Remaining Life:
4 years

Best Case: $450,000 Worst Case: $750,000

Lower allowance for major reconstruction Higher allowance for major reconstruction

Cost Source: ARSF Cost Database

Comp # : 18 **Main Lift S - Minor Reconstruction** Quantity: (1) Sewer/Stormwater Lift

Location : On Golf Course, South Side of River Near Reynosa Dr

Funded? : Yes

History :

Evaluation : The Main Lift South Lift Station is a dual-function facility. Station has (1) 10" Force Main with approx 3,005LF of piping. Lift Station pumps directly to the Wastewater facility. Average monthly flow of 140,000 gallons per day. Equipment includes; control panels, motor control center, PLC & Meter readouts, (1) backup generator, (2) sewage grinders, (3) sewage pumps, and (1) above ground 2,000 gallon diesel storage tank. This component provides funding for minor reconstruction, including repair/replacement of pumps and stainless steel guide rails every 15 years.

Useful Life:
15 years

Remaining Life:
4 years

Best Case: $150,000

Lower allowance for minor reconstruction

Worst Case: $190,000

Higher allowance for minor reconstruction

Cost Source: ARSF Cost Database

Comp # : 19 **Crest - Major Reconstruction** Quantity: (1) Sewer Lift Station

Location : On Golf Course, Near Lake #10

Funded? : Yes

History : Built approx 2002.

Evaluation : The Crest sewage lift station serves to pump sewage to Main Lift South. The pump station has (2) 8" sanitary sewer inlets and (1) 6" force main that runs up Murieta South parkway ultimately into Main Lift South with approx 1,490LF of piping. Equipment includes; (2) 10HP submersible pumps; a Tesco L2000 controller; a Cummins transfer switch; Microtel DialStat auto-.dialer; a 6" Sparling magnetic flow meter; a 68hp diesel generator; and a 113 Gallon Fuel Tank. This component provides funding for major reconstruction to the lift station every 30 years.

Useful Life:
30 years

Remaining Life:
17 years

Best Case: $250,000

Lower allowance for major reconstruction

Worst Case: $350,000

Higher allowance for major reconstruction

Cost Source: ARSF Cost Database

Comp # : 20 **Crest - Minor Reconstruction** Quantity: (1) Sewer Lift Station

Location : On Golf Course, Near Lake #10

Funded? : Yes

History : Built approx 2002.

Evaluation : The Crest sewage lift station serves to pump sewage to Main Lift South. The pump station has (2) 8" sanitary sewer inlets and (1) 6" force main that runs up Murieta South parkway ultimately into Main Lift South with approx 1,490LF of piping. Equipment includes; (2) 10HP submersible pumps; a Tesco L2000 controller; a Cummins transfer switch; Microtel DialStat auto-.dialer; a 6" Sparling magnetic flow meter; a 68hp diesel generator; and a 113 Gallon Fuel Tank. This component provides funding for minor reconstruction, including repair/replacement of pumps and stainless steel guide rails every 15 years.

Useful Life:
15 years

Remaining Life:
2 years

Best Case: $40,000 Worst Case: $50,000

Lower allowance for minor reconstruction Higher allowance for minor reconstruction

Cost Source: ARSF Cost Database

Comp # : 21 **Greens - Major Reconstruction** Quantity: (1) Sewer Lift Station

Location : At End of Bent Grass Court

Funded? : Yes

History : Built approx 2001.

Evaluation : The Greens sewage lift station serves to pump sewage to Main Lift South. Station has (1) 6" inch sanitary sewer inlets and (1) 4" force main that runs up Bent Grass Court, north on Colbert Drive and ultimately flows into Main Lift South with approx 670LF of piping. Equipment includes; (2) 3HP submersible pumps; Tesco L2000 controller, a Cummins transfer switch; a Sensaphone auto-dialer; 24.3 HP diesel generator; and a 106 gallon diesel storage tank. This component provides funding for major reconstruction to the lift station every 30 years.

Useful Life:
30 years

Remaining Life:
16 years

Best Case: $90,000 Worst Case: $110,000

Lower allowance for major reconstruction Higher allowance for major reconstruction

Cost Source: ARSF Cost Database

Comp # : 22 **Greens - Minor Reconstruction** Quantity: (1) Sewer Lift Station

Location : At End of Bent Grass Court

Funded? : Yes

History : Built approx 2001.

Evaluation : The Greens sewage lift station serves to pump sewage to Main Lift South. Station has (1) 6" inch sanitary sewer inlets and (1) 4" force main that runs up Bent Grass Court, north on Colbert Drive and ultimately flows into Main Lift South with approx 670LF of piping. Equipment includes; (2) 3HP submersible pumps; Tesco L2000 controller, a Cummins transfer switch; a Sensaphone auto-dialer; 24.3 HP diesel generator; and a 106 gallon diesel storage tank. This component provides funding for minor reconstruction, including repair/replacement of pumps and stainless steel guide rails every 15 years.

Useful Life:
15 years

Remaining Life:
1 years

Best Case: $30,000 Worst Case: $40,000

Lower allowance for minor reconstruction Higher allowance for minor reconstruction

Cost Source: ARSF Cost Database

Comp # : 23 **Minor Lift Stations - Repair** Quantity: (2) Sewage Lift Stations

Location : Admin and Safety Center

Funded? : Yes

History :

Evaluation : District's small sewage pumping station for the administration building and Safety Center. Each station consists of two submersible sewage pumps and control floats. This component provides funding for repairs, including repair/replacement of pumps and stainless steel guide rails every 15 years.

Useful Life:
15 years

Remaining Life:
5 years

Photo Not Available

Best Case: $12,000 Worst Case: $30,000

Cost Source: Estimate Provided by Client

San Francisco Office
268 Bush Street #3434
San Francisco, CA 94104

ASSOCIATION RESERVES
San Francisco, LLC
Est. 1986
Reserve Studies for Community Associations

tel 877/618.1955
415/694.8931
916/912.4188
fax 415/762.3662
www.reservestudy.com

"Full" Reserve Study

RMCSD - Water Department

Rancho Murieta, CA

Report #: 27003-0 WATER
For Period Beginning: July 1, 2015
Expires: June 30, 2016

Date Prepared: January 23, 2015

Hello, and welcome to your Reserve Study!

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

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

In this Report, you will find…

1) A List of What you're Reserving For

2) An Evaluation of your Reserve Fund Size and Strength

3) A Recommended Multi-Year Reserve Funding Plan

More Questions?

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

877/618-1955

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Table of Contents

3- Minute Executive Summary

Name: RMCSD - Water Department **Assoc. #: 27003-0 WATER**

Location: Rancho Murieta, CA
# of Units: 1
Report Period: July 1, 2015 through June 30, 2016

Results as-of 7/1/2015:

Projected Starting Reserve Balance:	**$4,929,889**
Fully Funded Reserve Balance:	**$6,055,439**
Average Reserve Deficit (Surplus) Per Unit:	**$1,125,550**
Percent Funded:	**81.4%**
Recommended 2015/16 monthly Reserve Contribution:	**$30,000**
Most Recent Reserve Contribution Rate:	**$15,000**

Economic Assumptions:

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

- **This is a "Full" Reserve Study (original, created "from scratch").**
- **The information in this Reserve Study is based on our site inspection on August 4, 2014.**
- **This Reserve Study was prepared under the supervision of a credentialed Reserve Specialist (RS).**
- **Because your Reserve Fund is at 81.4% Funded, this means the CSD Water Department's deferred maintenance risk & need for a transfer of funds is currently low.**
- **Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".**
- **Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.**
- **No assets appropriate for Reserve designation were excluded.**

Table 1: Executive Summary					27003-0 WATER
#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
	Water				
203	Water Plant Road - Repair	15	14	$35,000	$52,941
303	HVAC (WT Facility) - Replace	10	9	$7,500	$9,786
304	Meters & MXUs - Replace 33%	6	1	$559,200	$575,976
314	Equipment - Replace	5	2	$25,000	$26,523
314	Software/Technology - Update	5	1	$120,000	$123,600
338	Transmission (Gran/Calero) - Repair	20	15	$999,750	$1,557,578
904	Van Vleck Tank - Refurbish/Repair	40	20	$2,775,000	$5,011,959
940	Rio Oso Tank - Rehabilitate	40	33	$1,692,000	$4,487,751
941	Rio Oso Booster Pump Station- Rehab	40	33	$175,000	$464,159
942	Rio Oso Equp. - Replace	40	33	$152,500	$404,481
1001	Backflow Devices - Replace 50%	5	1	$98,650	$101,610
1007	Fire hydrants - Replace (Partial)	25	5	$165,550	$191,918
1015	Rio Oso Fuel Tank - Replace	40	30	$20,000	$48,545
1016	Water Plant - Major Reconstruction	40	40	$12,000,000	$39,144,454
1017	Water Plant Membrane - Replace	10	10	$200,000	$268,783
1020	Flow Sensor (Arena) - Repair/Repl	25	23	$10,800	$21,315
1029	Plant #2 - Convert	N/A	5	$7,500	$8,695
1210	Subdrain Pump Stations - Repair	15	5	$82,500	$95,640
1211	Calero Siphon Pump Station - Repl	15	12	$325,000	$463,372
1212	Chesbro Influent Valve - Repair	15	10	$60,000	$80,635
1864	2008 Ford F350 - Replace 50%	15	8	$22,500	$28,502
1865	2010 Ford Ranger - Replace 50%	15	10	$13,750	$18,479
1902	Pipeline (Airport) - Replace 25%	40	7	$41,200	$50,671
1902	Pipeline (Alameda) - Replace 25%	40	0	$38,625	$125,996
1902	Pipeline (Hwy 16) - Replace 25%	40	0	$61,800	$201,594
1902	Pipeline (MH Park) - Replace	40	0	$579,400	$1,890,025
1902	Pipeline (Rio Oso) - Replace 25%	40	6	$46,200	$55,165
1902	Pipeline (Van Vleck) - Replace 25%	40	17	$32,800	$54,213
1902	Pipelines (N. Unit 1) - Replace 25%	40	0	$197,750	$645,068
1902	Pipelines (N. Units 2-4) - Repl 25%	40	5	$712,250	$825,693
1902	Pipelines (RM South) - Replace 25%	40	16	$264,400	$424,284
1902	Pipelines (South 7&8) - Replace 25%	40	25	$67,950	$142,272
1902	Pipelines (South Newest) - Repl 25%	40	28	$115,350	$263,912
1902	Pipelines (Unit 6) - Repl 25%	40	8	$115,000	$145,679
1903	Water Supply Valves - Replace 10%	10	5	$82,500	$95,640
2114	Granlees Diversion Struct - Repair	40	39	$175,000	$554,230
2114	Granlees Pump Station - Repair	15	10	$350,000	$470,371
2149	Water Reservoirs - Repair	40	20	$1,500,000	$2,709,167
2710	Lake Aerators - Replace	15	10	$90,000	$120,952
	Vehicles				
1860	1997 Ford F250 - Replace	20	2	$35,000	$37,132
1861	1997 Ford F150 - Replace	18	0	$27,000	$45,966
1862	2000 Ford F150 - Replace	20	5	$27,000	$31,300
1863	2001 Ford F250 - Replace	17	3	$35,000	$38,245
1864	2003 Ford F150 - Replace	20	8	$27,000	$34,203

Table 1: Executive Summary					27003-0 WATER
#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1865	2003 Ford F150 - Replace	20	8	$27,000	$34,203
1866	2003 Ford F150 Supercrew - Replace	20	8	$34,000	$43,070
1867	2011 Ford Ranger - Replace	20	16	$23,000	$36,908
1868	2013 Ford F-550 Truck - Replace	20	18	$77,000	$131,087
1870	Utility Vehicle - Replace	20	9	$15,200	$19,833
1871	1998 Hyster Fork Lift - Replace	20	3	$11,000	$12,020
1872	Fluid Excavator - Replace	15	5	$43,700	$50,660
1873	Bobcat Tractor - Replace	25	12	$87,500	$124,754
52	Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in initial year.
Note 2: a Useful Life of “N/A” means a one-time expense, not expected to repeat.

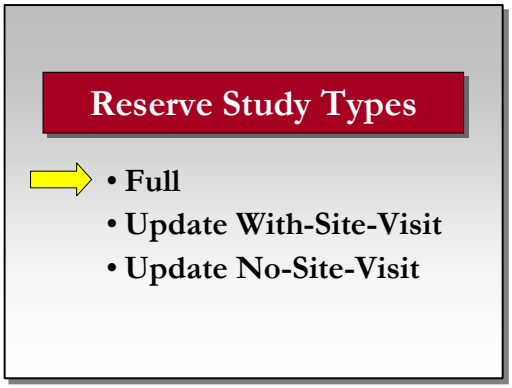
Introduction

A Reserve Study is the art and science of anticipating, and preparing for a CSD's major repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the Water Department is obligated to maintain. Based on that List and your starting balance we computed the Water Department's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing deterioration.

Methodology



First we establish what the projected expenses are, then we determine the Water Department's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established CSD precedents. We performed an on-site inspection to quantify and evaluate your Water Department, creating your Reserve Component List "from scratch".

Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a CSD Water Department maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a "surprise" which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include "lifetime" components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

1) Visual Inspection (observed wear and age)
2) Association Reserves database of experience
3) Client Component History
4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order…

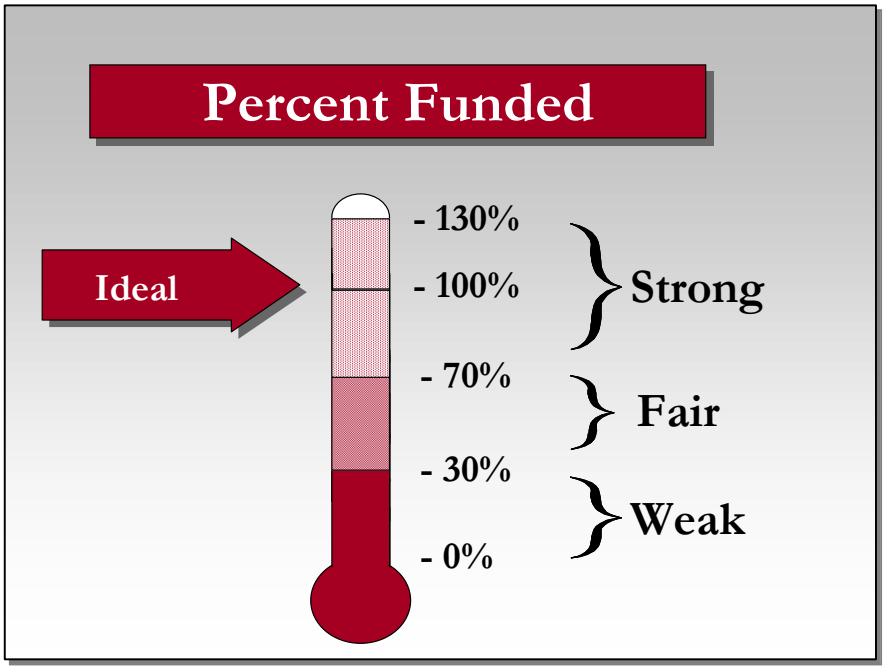
1) Client Cost History
2) Comparison to Association Reserves database of work done at similar CSDs
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

1) Calculate the Water Department's Fully Funded Balance (FFB).
2) Compare to the Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the Water Department increase, but shrinks when projects are accomplished and the Reserve needs of the Water Department decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



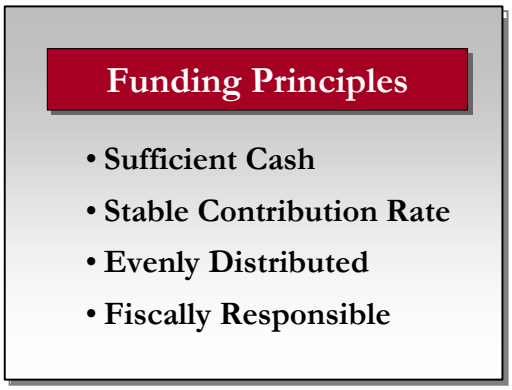
Deferred maintenance and the need for a transfer of funds are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your Water Department is for upcoming Reserve expenses.

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their "fair share" of the Water Department's Reserve expenses (this means we recommend a transfer of funds only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and "safe" for Board Members to recommend to their CSD

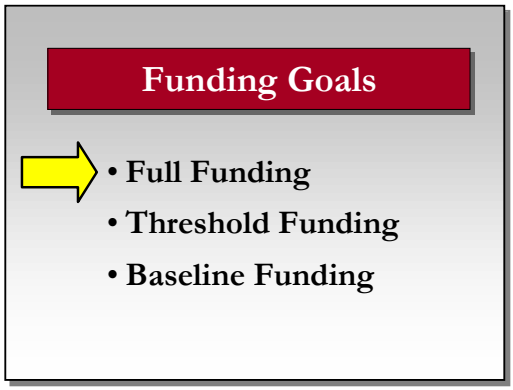


What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called "Full Funding" the Reserves (100% Funded). As each asset ages and becomes "used up", the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, CSDs in the 100% range rarely experience deferred maintenance or the need for a transfer of funds.

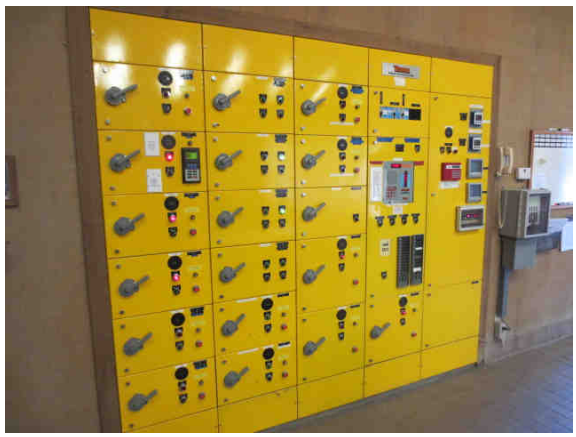
Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these CSDs, deterioration occurs without matching Reserve contributions. With a low Percent Funded, deferred maintenance and the need for a transfer of funds are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.



Site Inspection Notes

During our site visit on August 4, 2014, we started with a brief meeting with Paul Siebensohn (Director of Field Operations), and then started the site inspection beginning with the reservoirs. We visually inspected the entire property, and were able to see most areas including Granlees and the Water Plant construction. We were not able to inspect the pipelines.



Projected Expenses

The figure below shows the array of the projected future expenses at your CSD's Water Department. All expenses are based on the average of our Best Case and Worst Case projections, inflated appropriately for future years.

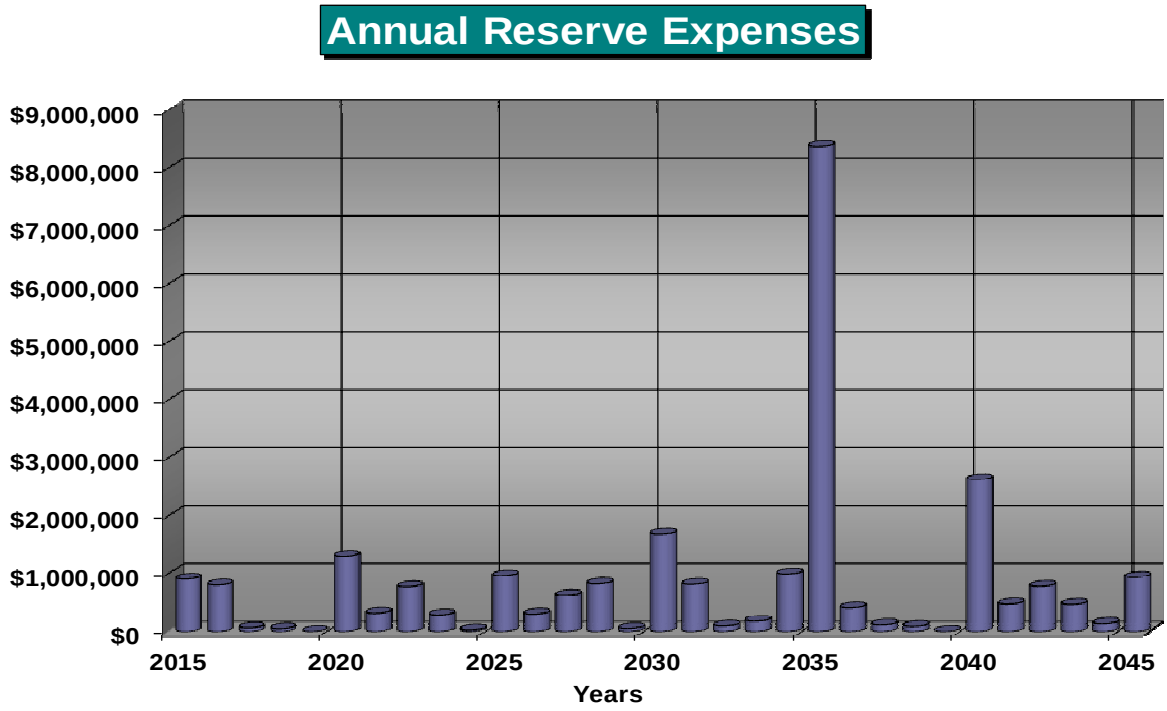


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about "near-term" projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years' worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $4,929,889 as-of the start of your Fiscal Year on July 1, 2015. This is based on your actual balance on 9/30/2014 of $4,794,889 and anticipated Reserve contributions totaling $135,000 and no expenses projected through the end of your Fiscal Year. As of July 1, 2015, your Fully Funded Balance is computed to be $6,055,439 (see Table 3). This figure represents the deteriorated value of your Water Department components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 81% Funded. As indicated earlier in the Executive Summary, this represents a mid-range status.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of $30,000/month this 2015/16 Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

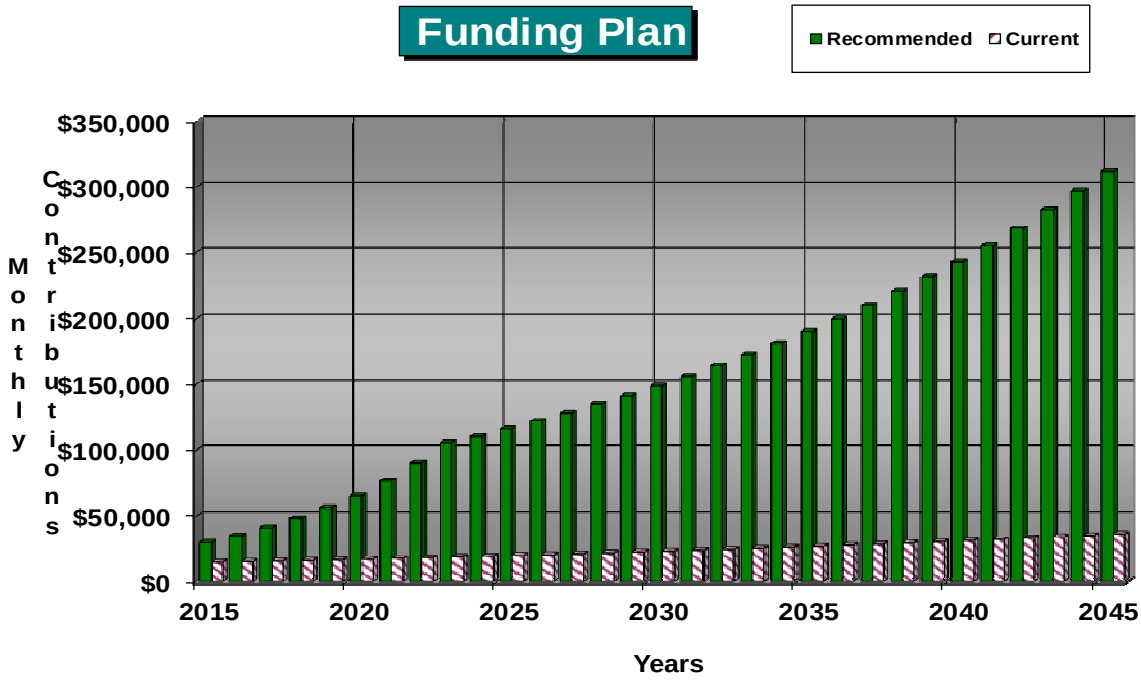


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

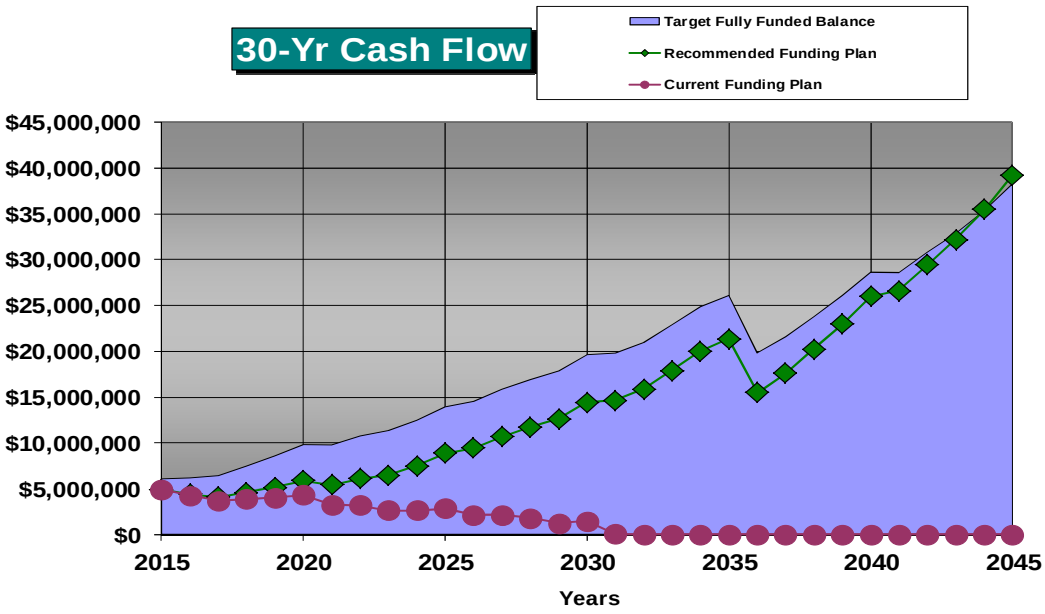


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

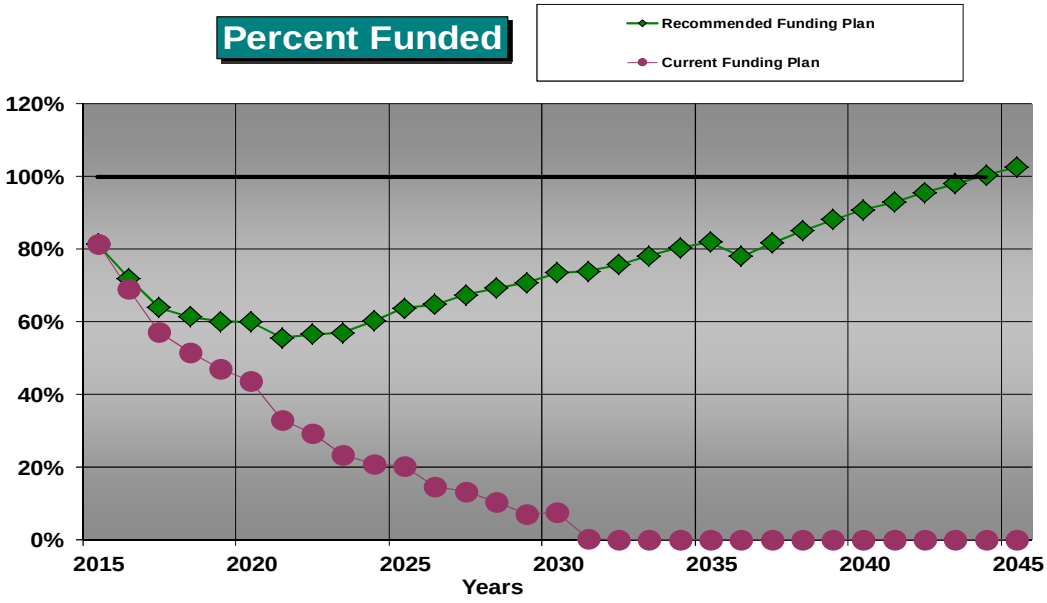


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the Water Department as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the Water Department is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the Water Department's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the Water Department (current cost divided by useful life). This presentation is not meant to cause clients to redistribute Water Department funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the Water Department, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail — 27003-0 WATER

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
	Water					
203	Water Plant Road - Repair	Approx 23,500 GSF	15	14	$30,000	$40,000
303	HVAC (WT Facility) - Replace	(1) HVAC System	10	9	$6,800	$8,200
304	Meters & MXUs - Replace 33%	33% of (2610) Connections	6	1	$508,400	$610,000
314	Equipment - Replace	Various Equipment	5	2	$20,000	$30,000
314	Software/Technology - Update	(4) Software/Techs	5	1	$100,000	$140,000
338	Transmission (Gran/Calero) - Repair	Approx 9,300 LF	20	15	$837,000	$1,162,500
904	Van Vleck Tank - Refurbish/Repair	(1) 3M Gallon Water Tank	40	20	$2,300,000	$3,250,000
940	Rio Oso Tank - Rehabilitate	(1) 1.2M Gallon Tank	40	33	$1,410,000	$1,974,000
941	Rio Oso Booster Pump Station- Rehab	(1) Pump Station	40	33	$150,000	$200,000
942	Rio Oso Equp. - Replace	Generator/Trans Switch	40	33	$125,000	$180,000
1001	Backflow Devices - Replace 50%	(46) of (93) Backflows	5	1	$89,700	$107,600
1007	Fire hydrants - Replace (Partial)	(43) of (174) Hydrants	25	5	$150,500	$180,600
1015	Rio Oso Fuel Tank - Replace	(1) Fuel Tank	40	30	$10,000	$30,000
1016	Water Plant - Major Reconstruction	Water Plant	40	40	$11,000,000	$13,000,000
1017	Water Plant Membrane - Replace	Approx (95) sets	10	10	$180,000	$220,000
1020	Flow Sensor (Arena) - Repair/Repl	(1) Flow Sensor	25	23	$9,000	$12,600
1029	Plant #2 - Convert	Plant #2	N/A	5	$5,000	$10,000
1210	Subdrain Pump Stations - Repair	(6) Subdrain Pump Station	15	5	$75,000	$90,000
1211	Calero Siphon Pump Station - Repl	(1) Siphon Pump Station	15	12	$250,000	$400,000
1212	Chesbro Influent Valve - Repair	Siphon Influent Control	15	10	$50,000	$70,000
1864	2008 Ford F350 - Replace 50%	(1) Ford F350, V#0663	15	8	$20,000	$25,000
1865	2010 Ford Ranger - Replace 50%	(1) Ford Ranger, V#8210	15	10	$12,500	$15,000
1902	Pipeline (Airport) - Replace 25%	Approx 4,000 LF X 25%	40	7	$37,600	$44,800
1902	Pipeline (Alameda) - Replace 25%	Approx 3,750 LF X 25%	40	0	$35,250	$42,000
1902	Pipeline (Hwy 16) - Replace 25%	Approx 6,000 LF X 25%	40	0	$56,400	$67,200
1902	Pipeline (MH Park) - Replace	Approx 11,250 LF	40	0	$528,800	$630,000
1902	Pipeline (Rio Oso) - Replace 25%	Approx 4,480 LF X 25%	40	6	$42,200	$50,200
1902	Pipeline (Van Vleck) - Replace 25%	Approx 3,180 LF X 25%	40	17	$29,900	$35,700
1902	Pipelines (N. Unit 1) - Replace 25%	Approx 19,200 LF X 25%	40	0	$180,500	$215,000
1902	Pipelines (N. Units 2-4) - Repl 25%	Approx 69,150 LF X 25%	40	5	$650,000	$774,500
1902	Pipelines (RM South) - Replace 25%	Approx 25,670 LF X 25%	40	16	$241,300	$287,500
1902	Pipelines (South 7&8) - Replace 25%	Approx 6,600 LF X 25%	40	25	$62,000	$73,900
1902	Pipelines (South Newest) - Repl 25%	Approx 11,200 LF X 25%	40	28	$105,300	$125,400
1902	Pipelines (Unit 6) - Repl 25%	Approx 11,800 LF X 25%	40	8	$105,000	$125,000
1903	Water Supply Valves - Replace 10%	Approx 900 X 10%	10	5	$75,000	$90,000
2114	Granlees Diversion Struct - Repair	(1) Diversion Structure	40	39	$150,000	$200,000
2114	Granlees Pump Station - Repair	Raw Water Pump Station	15	10	$300,000	$400,000
2149	Water Reservoirs - Repair	Raw Water Storage Lakes	40	20	$1,000,000	$2,000,000
2710	Lake Aerators - Replace	(3) Aerators	15	10	$81,000	$99,000
	Vehicles					
1860	1997 Ford F250 - Replace	(1) Ford F250, V#211	20	2	$32,000	$38,000
1861	1997 Ford F150 - Replace	(1) Ford F150, V#7003	18	0	$25,000	$29,000
1862	2000 Ford F150 - Replace	(1) Ford F150, V#6367	20	5	$25,000	$29,000
1863	2001 Ford F250 - Replace	(1) Ford F250, V#8524	17	3	$32,000	$38,000
1864	2003 Ford F150 - Replace	(1) Ford F150, V#4584	20	8	$25,000	$29,000
1865	2003 Ford F150 - Replace	(1) Ford F150, V#3817	20	8	$25,000	$29,000
1866	2003 Ford F150 Supercrew - Replace	(1) Ford F150, V#3233	20	8	$31,000	$37,000
1867	2011 Ford Ranger - Replace	(1) Ford Ranger, V#5636	20	16	$21,000	$25,000
1868	2013 Ford F-550 Truck - Replace	(1) Ford F-550 Truck	20	18	$65,000	$89,000
1870	Utility Vehicle - Replace	(1) Utility Vehicle	20	9	$13,800	$16,600
1871	1998 Hyster Fork Lift - Replace	(1) 1998 Hyster Fork Lift	20	3	$10,000	$12,000
1872	Fluid Excavator - Replace	(1) Fluid Excavator	15	5	$39,700	$47,700
1873	Bobcat Tractor - Replace	(1) Bobcat Comp. Tractor	25	12	$75,000	$100,000
52	Total Funded Components					

Table 3: Contribution and Fund Breakdown — 27003-0 WATER

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
	Water						
203	Water Plant Road - Repair	15	14	$35,000	$2,333	$2,333.33	$135.37
303	HVAC (WT Facility) - Replace	10	9	$7,500	$750	$750.00	$43.51
304	Meters & MXUs - Replace 33%	6	1	$559,200	$466,000	$466,000.00	$5,407.07
314	Equipment - Replace	5	2	$25,000	$15,000	$15,000.00	$290.08
314	Software/Technology - Update	5	1	$120,000	$96,000	$96,000.00	$1,392.38
338	Transmission (Gran/Calero) - Repair	20	15	$999,750	$249,938	$249,937.50	$2,900.06
904	Van Vleck Tank - Refurbish/Repair	40	20	$2,775,000	$1,387,500	$1,387,500.00	$4,024.84
940	Rio Oso Tank - Rehabilitate	40	33	$1,692,000	$296,100	$0.00	$2,454.07
941	Rio Oso Booster Pump Station- Rehab	40	33	$175,000	$30,625	$0.00	$253.82
942	Rio Oso Equp. - Replace	40	33	$152,500	$26,688	$0.00	$221.19
1001	Backflow Devices - Replace 50%	5	1	$98,650	$78,920	$78,920.00	$1,144.65
1007	Fire hydrants - Replace (Partial)	25	5	$165,550	$132,440	$132,440.00	$384.18
1015	Rio Oso Fuel Tank - Replace	40	30	$20,000	$5,000	$0.00	$29.01
1016	Water Plant - Major Reconstruction	40	40	$12,000,000	$0	$0.00	$0.00
1017	Water Plant Membrane - Replace	10	10	$200,000	$0	$0.00	$0.00
1020	Flow Sensor (Arena) - Repair/Repl	25	23	$10,800	$864	$0.00	$25.06
1029	Plant #2 - Convert	N/A	5	$7,500	$1,250	$1,250.00	$60.43
1210	Subdrain Pump Stations - Repair	15	5	$82,500	$55,000	$55,000.00	$319.09
1211	Calero Siphon Pump Station - Repl	15	12	$325,000	$65,000	$65,000.00	$1,257.01
1212	Chesbro Influent Valve - Repair	15	10	$60,000	$20,000	$20,000.00	$232.06
1864	2008 Ford F350 - Replace 50%	15	8	$22,500	$10,500	$10,500.00	$87.02
1865	2010 Ford Ranger - Replace 50%	15	10	$13,750	$4,583	$4,583.33	$53.18
1902	Pipeline (Airport) - Replace 25%	40	7	$41,200	$33,990	$33,990.00	$59.76
1902	Pipeline (Alameda) - Replace 25%	40	0	$38,625	$38,625	$38,625.00	$56.02
1902	Pipeline (Hwy 16) - Replace 25%	40	0	$61,800	$61,800	$61,800.00	$89.63
1902	Pipeline (MH Park) - Replace	40	0	$579,400	$579,400	$579,400.00	$840.36
1902	Pipeline (Rio Oso) - Replace 25%	40	6	$46,200	$39,270	$39,270.00	$67.01
1902	Pipeline (Van Vleck) - Replace 25%	40	17	$32,800	$18,860	$18,860.00	$47.57
1902	Pipelines (N. Unit 1) - Replace 25%	40	0	$197,750	$197,750	$197,750.00	$286.82
1902	Pipelines (N. Units 2-4) - Repl 25%	40	5	$712,250	$623,219	$623,218.75	$1,033.04
1902	Pipelines (RM South) - Replace 25%	40	16	$264,400	$158,640	$158,640.00	$383.48
1902	Pipelines (South 7&8) - Replace 25%	40	25	$67,950	$25,481	$0.00	$98.55
1902	Pipelines (South Newest) - Repl 25%	40	28	$115,350	$34,605	$0.00	$167.30
1902	Pipelines (Unit 6) - Repl 25%	40	8	$115,000	$92,000	$92,000.00	$166.80
1903	Water Supply Valves - Replace 10%	10	5	$82,500	$41,250	$41,250.00	$478.63
2114	Granlees Diversion Struct - Repair	40	39	$175,000	$4,375	$0.00	$253.82
2114	Granlees Pump Station - Repair	15	10	$350,000	$116,667	$116,666.67	$1,353.70
2149	Water Reservoirs - Repair	40	20	$1,500,000	$750,000	$48,187.55	$2,175.59
2710	Lake Aerators - Replace	15	10	$90,000	$30,000	$30,000.00	$348.09
	Vehicles						
1860	1997 Ford F250 - Replace	20	2	$35,000	$31,500	$31,500.00	$101.53
1861	1997 Ford F150 - Replace	18	0	$27,000	$27,000	$27,000.00	$87.02
1862	2000 Ford F150 - Replace	20	5	$27,000	$20,250	$20,250.00	$78.32
1863	2001 Ford F250 - Replace	17	3	$35,000	$28,824	$28,823.53	$119.44
1864	2003 Ford F150 - Replace	20	8	$27,000	$16,200	$16,200.00	$78.32
1865	2003 Ford F150 - Replace	20	8	$27,000	$16,200	$16,200.00	$78.32
1866	2003 Ford F150 Supercrew - Replace	20	8	$34,000	$20,400	$20,400.00	$98.63
1867	2011 Ford Ranger - Replace	20	16	$23,000	$4,600	$4,600.00	$66.72
1868	2013 Ford F-550 Truck - Replace	20	18	$77,000	$7,700	$7,700.00	$223.36
1870	Utility Vehicle - Replace	20	9	$15,200	$8,360	$8,360.00	$44.09
1871	1998 Hyster Fork Lift - Replace	20	3	$11,000	$9,350	$9,350.00	$31.91
1872	Fluid Excavator - Replace	15	5	$43,700	$29,133	$29,133.33	$169.02
1873	Bobcat Tractor - Replace	25	12	$87,500	$45,500	$45,500.00	$203.06
52	Total Funded Components				$6,055,439	$4,929,889	$30,000

Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves — 27003-0 WATER

Fiscal Year Beginning: 07/01/15 | **Interest: 1.00%** | **Inflation: 3.0%**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Trnsfer Amnts	Interest Income	Projected Reserve Expenses
2015	$4,929,889	$6,055,439	81.4%	Strong	100.00%	$360,000	$0	$46,790	$904,575
2016	$4,432,104	$6,166,789	71.9%	Strong	17.00%	$421,200	$0	$42,616	$801,186
2017	$4,094,735	$6,413,944	63.8%	Fair	17.00%	$492,804	$0	$43,291	$63,654
2018	$4,567,176	$7,455,067	61.3%	Fair	17.00%	$576,581	$0	$48,525	$50,265
2019	$5,142,016	$8,569,344	60.0%	Fair	17.00%	$674,599	$0	$55,045	$0
2020	$5,871,661	$9,799,994	59.9%	Fair	17.00%	$789,281	$0	$56,423	$1,299,546
2021	$5,417,819	$9,753,759	55.5%	Fair	17.00%	$923,459	$0	$57,477	$316,245
2022	$6,082,511	$10,748,887	56.6%	Fair	17.00%	$1,080,447	$0	$62,668	$769,163
2023	$6,456,463	$11,338,211	56.9%	Fair	17.00%	$1,264,123	$0	$69,776	$285,657
2024	$7,504,706	$12,474,999	60.2%	Fair	5.05%	$1,327,961	$0	$81,914	$29,618
2025	$8,884,962	$13,942,336	63.7%	Fair	5.05%	$1,395,023	$0	$91,447	$959,220
2026	$9,412,213	$14,529,910	64.8%	Fair	5.05%	$1,465,472	$0	$100,395	$302,663
2027	$10,675,417	$15,846,086	67.4%	Fair	5.05%	$1,539,478	$0	$111,844	$623,770
2028	$11,702,970	$16,906,766	69.2%	Fair	5.05%	$1,617,222	$0	$121,566	$821,204
2029	$12,620,554	$17,832,743	70.8%	Strong	5.05%	$1,698,892	$0	$135,053	$52,941
2030	$14,401,558	$19,615,750	73.4%	Strong	5.05%	$1,784,686	$0	$145,173	$1,686,110
2031	$14,645,307	$19,809,159	73.9%	Strong	5.05%	$1,874,813	$0	$152,464	$812,062
2032	$15,860,522	$20,948,888	75.7%	Strong	5.05%	$1,969,491	$0	$168,747	$95,535
2033	$17,903,225	$22,902,289	78.2%	Strong	5.05%	$2,068,950	$0	$189,358	$177,053
2034	$19,984,480	$24,873,028	80.3%	Strong	5.05%	$2,173,432	$0	$206,689	$993,712
2035	$21,370,889	$26,105,712	81.9%	Strong	5.05%	$2,283,190	$0	$184,100	$8,373,493
2036	$15,464,686	$19,819,502	78.0%	Strong	5.05%	$2,398,491	$0	$165,362	$406,753
2037	$17,621,785	$21,597,107	81.6%	Strong	5.05%	$2,519,615	$0	$189,106	$114,966
2038	$20,215,541	$23,776,641	85.0%	Strong	5.05%	$2,646,856	$0	$215,940	$87,430
2039	$22,990,907	$26,099,424	88.1%	Strong	5.05%	$2,780,522	$0	$244,932	$0
2040	$26,016,361	$28,632,929	90.9%	Strong	5.05%	$2,920,938	$0	$262,881	$2,618,060
2041	$26,582,120	$28,598,353	92.9%	Strong	5.05%	$3,068,446	$0	$280,087	$471,539
2042	$29,459,114	$30,827,748	95.6%	Strong	5.05%	$3,223,402	$0	$308,231	$777,451
2043	$32,213,296	$32,864,649	98.0%	Strong	5.05%	$3,386,184	$0	$338,285	$465,250
2044	$35,472,515	$35,341,609	100.4%	Strong	5.05%	$3,557,186	$0	$373,540	$135,974

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4) — 27003-0 WATER

#	Fiscal Year	2015	2016	2017	2018	2019
	Starting Reserve Balance	$4,929,889	$4,432,104	$4,094,735	$4,567,176	$5,142,016
	Annual Reserve Contribution	$360,000	$421,200	$492,804	$576,581	$674,599
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$46,790	$42,616	$43,291	$48,525	$55,045
	Total Income	$5,336,679	$4,895,920	$4,630,830	$5,192,282	$5,871,661
#	Component					
	Water					
203	Water Plant Road - Repair	$0	$0	$0	$0	$0
303	HVAC (WT Facility) - Replace	$0	$0	$0	$0	$0
304	Meters & MXUs - Replace 33%	$0	$575,976	$0	$0	$0
314	Equipment - Replace	$0	$0	$26,523	$0	$0
314	Software/Technology - Update	$0	$123,600	$0	$0	$0
338	Transmission (Gran/Calero) - Repair	$0	$0	$0	$0	$0
904	Van Vleck Tank - Refurbish/Repair	$0	$0	$0	$0	$0
940	Rio Oso Tank - Rehabilitate	$0	$0	$0	$0	$0
941	Rio Oso Booster Pump Station- Rehab	$0	$0	$0	$0	$0
942	Rio Oso Equp. - Replace	$0	$0	$0	$0	$0
1001	Backflow Devices - Replace 50%	$0	$101,610	$0	$0	$0
1007	Fire hydrants - Replace (Partial)	$0	$0	$0	$0	$0
1015	Rio Oso Fuel Tank - Replace	$0	$0	$0	$0	$0
1016	Water Plant - Major Reconstruction	$0	$0	$0	$0	$0
1017	Water Plant Membrane - Replace	$0	$0	$0	$0	$0
1020	Flow Sensor (Arena) - Repair/Repl	$0	$0	$0	$0	$0
1029	Plant #2 - Convert	$0	$0	$0	$0	$0
1210	Subdrain Pump Stations - Repair	$0	$0	$0	$0	$0
1211	Calero Siphon Pump Station - Repl	$0	$0	$0	$0	$0
1212	Chesbro Influent Valve - Repair	$0	$0	$0	$0	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$0	$0
1865	2010 Ford Ranger - Replace 50%	$0	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$38,625	$0	$0	$0	$0
1902	Pipeline (Hwy 16) - Replace 25%	$61,800	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$579,400	$0	$0	$0	$0
1902	Pipeline (Rio Oso) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Van Vleck) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$197,750	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$0	$0	$0
1903	Water Supply Valves - Replace 10%	$0	$0	$0	$0	$0
2114	Granlees Diversion Struct - Repair	$0	$0	$0	$0	$0
2114	Granlees Pump Station - Repair	$0	$0	$0	$0	$0
2149	Water Reservoirs - Repair	$0	$0	$0	$0	$0
2710	Lake Aerators - Replace	$0	$0	$0	$0	$0
	Vehicles					
1860	1997 Ford F250 - Replace	$0	$0	$37,132	$0	$0
1861	1997 Ford F150 - Replace	$27,000	$0	$0	$0	$0
1862	2000 Ford F150 - Replace	$0	$0	$0	$0	$0
1863	2001 Ford F250 - Replace	$0	$0	$0	$38,245	$0
1864	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1865	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1866	2003 Ford F150 Supercrew - Replace	$0	$0	$0	$0	$0
1867	2011 Ford Ranger - Replace	$0	$0	$0	$0	$0
1868	2013 Ford F-550 Truck - Replace	$0	$0	$0	$0	$0
1870	Utility Vehicle - Replace	$0	$0	$0	$0	$0
1871	1998 Hyster Fork Lift - Replace	$0	$0	$0	$12,020	$0
1872	Fluid Excavator - Replace	$0	$0	$0	$0	$0
1873	Bobcat Tractor - Replace	$0	$0	$0	$0	$0
	Total Expenses	$904,575	$801,186	$63,654	$50,265	$0
	Ending Reserve Balance:	$4,432,104	$4,094,735	$4,567,176	$5,142,016	$5,871,661

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9) — 27003-0 WATER

#	Fiscal Year	2020	2021	2022	2023	2024
	Starting Reserve Balance	$5,871,661	$5,417,819	$6,082,511	$6,456,463	$7,504,706
	Annual Reserve Contribution	$789,281	$923,459	$1,080,447	$1,264,123	$1,327,961
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$56,423	$57,477	$62,668	$69,776	$81,914
	Total Income	$6,717,366	$6,398,756	$7,225,626	$7,790,363	$8,914,581
#	Component					
	Water					
203	Water Plant Road - Repair	$0	$0	$0	$0	$0
303	HVAC (WT Facility) - Replace	$0	$0	$0	$0	$9,786
304	Meters & MXUs - Replace 33%	$0	$0	$687,745	$0	$0
314	Equipment - Replace	$0	$0	$30,747	$0	$0
314	Software/Technology - Update	$0	$143,286	$0	$0	$0
338	Transmission (Gran/Calero) - Repair	$0	$0	$0	$0	$0
904	Van Vleck Tank - Refurbish/Repair	$0	$0	$0	$0	$0
940	Rio Oso Tank - Rehabilitate	$0	$0	$0	$0	$0
941	Rio Oso Booster Pump Station- Rehab	$0	$0	$0	$0	$0
942	Rio Oso Equp. - Replace	$0	$0	$0	$0	$0
1001	Backflow Devices - Replace 50%	$0	$117,793	$0	$0	$0
1007	Fire hydrants - Replace (Partial)	$191,918	$0	$0	$0	$0
1015	Rio Oso Fuel Tank - Replace	$0	$0	$0	$0	$0
1016	Water Plant - Major Reconstruction	$0	$0	$0	$0	$0
1017	Water Plant Membrane - Replace	$0	$0	$0	$0	$0
1020	Flow Sensor (Arena) - Repair/Repl	$0	$0	$0	$0	$0
1029	Plant #2 - Convert	$8,695	$0	$0	$0	$0
1210	Subdrain Pump Stations - Repair	$95,640	$0	$0	$0	$0
1211	Calero Siphon Pump Station - Repl	$0	$0	$0	$0	$0
1212	Chesbro Influent Valve - Repair	$0	$0	$0	$0	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$28,502	$0
1865	2010 Ford Ranger - Replace 50%	$0	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$0	$0	$50,671	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Hwy 16) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$0	$0	$0	$0	$0
1902	Pipeline (Rio Oso) - Replace 25%	$0	$55,165	$0	$0	$0
1902	Pipeline (Van Vleck) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$825,693	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$0	$145,679	$0
1903	Water Supply Valves - Replace 10%	$95,640	$0	$0	$0	$0
2114	Granlees Diversion Struct - Repair	$0	$0	$0	$0	$0
2114	Granlees Pump Station - Repair	$0	$0	$0	$0	$0
2149	Water Reservoirs - Repair	$0	$0	$0	$0	$0
2710	Lake Aerators - Replace	$0	$0	$0	$0	$0
	Vehicles					
1860	1997 Ford F250 - Replace	$0	$0	$0	$0	$0
1861	1997 Ford F150 - Replace	$0	$0	$0	$0	$0
1862	2000 Ford F150 - Replace	$31,300	$0	$0	$0	$0
1863	2001 Ford F250 - Replace	$0	$0	$0	$0	$0
1864	2003 Ford F150 - Replace	$0	$0	$0	$34,203	$0
1865	2003 Ford F150 - Replace	$0	$0	$0	$34,203	$0
1866	2003 Ford F150 Supercrew - Replace	$0	$0	$0	$43,070	$0
1867	2011 Ford Ranger - Replace	$0	$0	$0	$0	$0
1868	2013 Ford F-550 Truck - Replace	$0	$0	$0	$0	$0
1870	Utility Vehicle - Replace	$0	$0	$0	$0	$19,833
1871	1998 Hyster Fork Lift - Replace	$0	$0	$0	$0	$0
1872	Fluid Excavator - Replace	$50,660	$0	$0	$0	$0
1873	Bobcat Tractor - Replace	$0	$0	$0	$0	$0
	Total Expenses	$1,299,546	$316,245	$769,163	$285,657	$29,618
	Ending Reserve Balance:	$5,417,819	$6,082,511	$6,456,463	$7,504,706	$8,884,962

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14) — 27003-0 WATER

#	Fiscal Year	2025	2026	2027	2028	2029
	Starting Reserve Balance	$8,884,962	$9,412,213	$10,675,417	$11,702,970	$12,620,554
	Annual Reserve Contribution	$1,395,023	$1,465,472	$1,539,478	$1,617,222	$1,698,892
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$91,447	$100,395	$111,844	$121,566	$135,053
	Total Income	$10,371,433	$10,978,080	$12,326,740	$13,441,758	$14,454,499
#	Component					
	Water					
203	Water Plant Road - Repair	$0	$0	$0	$0	$52,941
303	HVAC (WT Facility) - Replace	$0	$0	$0	$0	$0
304	Meters & MXUs - Replace 33%	$0	$0	$0	$821,204	$0
314	Equipment - Replace	$0	$0	$35,644	$0	$0
314	Software/Technology - Update	$0	$166,108	$0	$0	$0
338	Transmission (Gran/Calero) - Repair	$0	$0	$0	$0	$0
904	Van Vleck Tank - Refurbish/Repair	$0	$0	$0	$0	$0
940	Rio Oso Tank - Rehabilitate	$0	$0	$0	$0	$0
941	Rio Oso Booster Pump Station- Rehab	$0	$0	$0	$0	$0
942	Rio Oso Equp. - Replace	$0	$0	$0	$0	$0
1001	Backflow Devices - Replace 50%	$0	$136,555	$0	$0	$0
1007	Fire hydrants - Replace (Partial)	$0	$0	$0	$0	$0
1015	Rio Oso Fuel Tank - Replace	$0	$0	$0	$0	$0
1016	Water Plant - Major Reconstruction	$0	$0	$0	$0	$0
1017	Water Plant Membrane - Replace	$268,783	$0	$0	$0	$0
1020	Flow Sensor (Arena) - Repair/Repl	$0	$0	$0	$0	$0
1029	Plant #2 - Convert	$0	$0	$0	$0	$0
1210	Subdrain Pump Stations - Repair	$0	$0	$0	$0	$0
1211	Calero Siphon Pump Station - Repl	$0	$0	$463,372	$0	$0
1212	Chesbro Influent Valve - Repair	$80,635	$0	$0	$0	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$0	$0
1865	2010 Ford Ranger - Replace 50%	$18,479	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Hwy 16) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$0	$0	$0	$0	$0
1902	Pipeline (Rio Oso) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Van Vleck) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$0	$0	$0
1903	Water Supply Valves - Replace 10%	$0	$0	$0	$0	$0
2114	Granlees Diversion Struct - Repair	$0	$0	$0	$0	$0
2114	Granlees Pump Station - Repair	$470,371	$0	$0	$0	$0
2149	Water Reservoirs - Repair	$0	$0	$0	$0	$0
2710	Lake Aerators - Replace	$120,952	$0	$0	$0	$0
	Vehicles					
1860	1997 Ford F250 - Replace	$0	$0	$0	$0	$0
1861	1997 Ford F150 - Replace	$0	$0	$0	$0	$0
1862	2000 Ford F150 - Replace	$0	$0	$0	$0	$0
1863	2001 Ford F250 - Replace	$0	$0	$0	$0	$0
1864	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1865	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1866	2003 Ford F150 Supercrew - Replace	$0	$0	$0	$0	$0
1867	2011 Ford Ranger - Replace	$0	$0	$0	$0	$0
1868	2013 Ford F-550 Truck - Replace	$0	$0	$0	$0	$0
1870	Utility Vehicle - Replace	$0	$0	$0	$0	$0
1871	1998 Hyster Fork Lift - Replace	$0	$0	$0	$0	$0
1872	Fluid Excavator - Replace	$0	$0	$0	$0	$0
1873	Bobcat Tractor - Replace	$0	$0	$124,754	$0	$0
	Total Expenses	$959,220	$302,663	$623,770	$821,204	$52,941
	Ending Reserve Balance:	$9,412,213	$10,675,417	$11,702,970	$12,620,554	$14,401,558

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19) — 27003-0 WATER

#	Fiscal Year	2030	2031	2032	2033	2034
	Starting Reserve Balance	$14,401,558	$14,645,307	$15,860,522	$17,903,225	$19,984,480
	Annual Reserve Contribution	$1,784,686	$1,874,813	$1,969,491	$2,068,950	$2,173,432
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$145,173	$152,464	$168,747	$189,358	$206,689
	Total Income	$16,331,417	$16,672,584	$17,998,760	$20,161,533	$22,364,601
#	Component					
	Water					
203	Water Plant Road - Repair	$0	$0	$0	$0	$0
303	HVAC (WT Facility) - Replace	$0	$0	$0	$0	$13,151
304	Meters & MXUs - Replace 33%	$0	$0	$0	$0	$980,561
314	Equipment - Replace	$0	$0	$41,321	$0	$0
314	Software/Technology - Update	$0	$192,565	$0	$0	$0
338	Transmission (Gran/Calero) - Repair	$1,557,578	$0	$0	$0	$0
904	Van Vleck Tank - Refurbish/Repair	$0	$0	$0	$0	$0
940	Rio Oso Tank - Rehabilitate	$0	$0	$0	$0	$0
941	Rio Oso Booster Pump Station- Rehab	$0	$0	$0	$0	$0
942	Rio Oso Equp. - Replace	$0	$0	$0	$0	$0
1001	Backflow Devices - Replace 50%	$0	$158,304	$0	$0	$0
1007	Fire hydrants - Replace (Partial)	$0	$0	$0	$0	$0
1015	Rio Oso Fuel Tank - Replace	$0	$0	$0	$0	$0
1016	Water Plant - Major Reconstruction	$0	$0	$0	$0	$0
1017	Water Plant Membrane - Replace	$0	$0	$0	$0	$0
1020	Flow Sensor (Arena) - Repair/Repl	$0	$0	$0	$0	$0
1029	Plant #2 - Convert	$0	$0	$0	$0	$0
1210	Subdrain Pump Stations - Repair	$0	$0	$0	$0	$0
1211	Calero Siphon Pump Station - Repl	$0	$0	$0	$0	$0
1212	Chesbro Influent Valve - Repair	$0	$0	$0	$0	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$0	$0
1865	2010 Ford Ranger - Replace 50%	$0	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Hwy 16) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$0	$0	$0	$0	$0
1902	Pipeline (Rio Oso) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Van Vleck) - Replace 25%	$0	$0	$54,213	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$424,284	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$0	$0	$0
1903	Water Supply Valves - Replace 10%	$128,532	$0	$0	$0	$0
2114	Granlees Diversion Struct - Repair	$0	$0	$0	$0	$0
2114	Granlees Pump Station - Repair	$0	$0	$0	$0	$0
2149	Water Reservoirs - Repair	$0	$0	$0	$0	$0
2710	Lake Aerators - Replace	$0	$0	$0	$0	$0
	Vehicles					
1860	1997 Ford F250 - Replace	$0	$0	$0	$0	$0
1861	1997 Ford F150 - Replace	$0	$0	$0	$45,966	$0
1862	2000 Ford F150 - Replace	$0	$0	$0	$0	$0
1863	2001 Ford F250 - Replace	$0	$0	$0	$0	$0
1864	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1865	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1866	2003 Ford F150 Supercrew - Replace	$0	$0	$0	$0	$0
1867	2011 Ford Ranger - Replace	$0	$36,908	$0	$0	$0
1868	2013 Ford F-550 Truck - Replace	$0	$0	$0	$131,087	$0
1870	Utility Vehicle - Replace	$0	$0	$0	$0	$0
1871	1998 Hyster Fork Lift - Replace	$0	$0	$0	$0	$0
1872	Fluid Excavator - Replace	$0	$0	$0	$0	$0
1873	Bobcat Tractor - Replace	$0	$0	$0	$0	$0
	Total Expenses	$1,686,110	$812,062	$95,535	$177,053	$993,712
	Ending Reserve Balance:	$14,645,307	$15,860,522	$17,903,225	$19,984,480	$21,370,889

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24) — 27003-0 WATER

#	Fiscal Year	2035	2036	2037	2038	2039
	Starting Reserve Balance	$21,370,889	$15,464,686	$17,621,785	$20,215,541	$22,990,907
	Annual Reserve Contribution	$2,283,190	$2,398,491	$2,519,615	$2,646,856	$2,780,522
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$184,100	$165,362	$189,106	$215,940	$244,932
	Total Income	$23,838,178	$18,028,539	$20,330,507	$23,078,337	$26,016,361
#	Component					
	Water					
203	Water Plant Road - Repair	$0	$0	$0	$0	$0
303	HVAC (WT Facility) - Replace	$0	$0	$0	$0	$0
304	Meters & MXUs - Replace 33%	$0	$0	$0	$0	$0
314	Equipment - Replace	$0	$0	$47,903	$0	$0
314	Software/Technology - Update	$0	$223,235	$0	$0	$0
338	Transmission (Gran/Calero) - Repair	$0	$0	$0	$0	$0
904	Van Vleck Tank - Refurbish/Repair	$5,011,959	$0	$0	$0	$0
940	Rio Oso Tank - Rehabilitate	$0	$0	$0	$0	$0
941	Rio Oso Booster Pump Station- Rehab	$0	$0	$0	$0	$0
942	Rio Oso Equp. - Replace	$0	$0	$0	$0	$0
1001	Backflow Devices - Replace 50%	$0	$183,518	$0	$0	$0
1007	Fire hydrants - Replace (Partial)	$0	$0	$0	$0	$0
1015	Rio Oso Fuel Tank - Replace	$0	$0	$0	$0	$0
1016	Water Plant - Major Reconstruction	$0	$0	$0	$0	$0
1017	Water Plant Membrane - Replace	$361,222	$0	$0	$0	$0
1020	Flow Sensor (Arena) - Repair/Repl	$0	$0	$0	$21,315	$0
1029	Plant #2 - Convert	$0	$0	$0	$0	$0
1210	Subdrain Pump Stations - Repair	$149,004	$0	$0	$0	$0
1211	Calero Siphon Pump Station - Repl	$0	$0	$0	$0	$0
1212	Chesbro Influent Valve - Repair	$0	$0	$0	$0	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$44,406	$0
1865	2010 Ford Ranger - Replace 50%	$0	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Hwy 16) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$0	$0	$0	$0	$0
1902	Pipeline (Rio Oso) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Van Vleck) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$0	$0	$0
1903	Water Supply Valves - Replace 10%	$0	$0	$0	$0	$0
2114	Granlees Diversion Struct - Repair	$0	$0	$0	$0	$0
2114	Granlees Pump Station - Repair	$0	$0	$0	$0	$0
2149	Water Reservoirs - Repair	$2,709,167	$0	$0	$0	$0
2710	Lake Aerators - Replace	$0	$0	$0	$0	$0
	Vehicles					
1860	1997 Ford F250 - Replace	$0	$0	$67,064	$0	$0
1861	1997 Ford F150 - Replace	$0	$0	$0	$0	$0
1862	2000 Ford F150 - Replace	$0	$0	$0	$0	$0
1863	2001 Ford F250 - Replace	$63,214	$0	$0	$0	$0
1864	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1865	2003 Ford F150 - Replace	$0	$0	$0	$0	$0
1866	2003 Ford F150 Supercrew - Replace	$0	$0	$0	$0	$0
1867	2011 Ford Ranger - Replace	$0	$0	$0	$0	$0
1868	2013 Ford F-550 Truck - Replace	$0	$0	$0	$0	$0
1870	Utility Vehicle - Replace	$0	$0	$0	$0	$0
1871	1998 Hyster Fork Lift - Replace	$0	$0	$0	$21,709	$0
1872	Fluid Excavator - Replace	$78,927	$0	$0	$0	$0
1873	Bobcat Tractor - Replace	$0	$0	$0	$0	$0
	Total Expenses	$8,373,493	$406,753	$114,966	$87,430	$0
	Ending Reserve Balance:	$15,464,686	$17,621,785	$20,215,541	$22,990,907	$26,016,361

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29) — 27003-0 WATER

#	Fiscal Year	2040	2041	2042	2043	2044
	Starting Reserve Balance	$26,016,361	$26,582,120	$29,459,114	$32,213,296	$35,472,515
	Annual Reserve Contribution	$2,920,938	$3,068,446	$3,223,402	$3,386,184	$3,557,186
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$262,881	$280,087	$308,231	$338,285	$373,540
	Total Income	$29,200,180	$29,930,652	$32,990,747	$35,937,765	$39,403,241
#	Component					
	Water					
203	Water Plant Road - Repair	$0	$0	$0	$0	$82,480
303	HVAC (WT Facility) - Replace	$0	$0	$0	$0	$17,674
304	Meters & MXUs - Replace 33%	$1,170,841	$0	$0	$0	$0
314	Equipment - Replace	$0	$0	$55,532	$0	$0
314	Software/Technology - Update	$0	$258,791	$0	$0	$0
338	Transmission (Gran/Calero) - Repair	$0	$0	$0	$0	$0
904	Van Vleck Tank - Refurbish/Repair	$0	$0	$0	$0	$0
940	Rio Oso Tank - Rehabilitate	$0	$0	$0	$0	$0
941	Rio Oso Booster Pump Station- Rehab	$0	$0	$0	$0	$0
942	Rio Oso Equp. - Replace	$0	$0	$0	$0	$0
1001	Backflow Devices - Replace 50%	$0	$212,748	$0	$0	$0
1007	Fire hydrants - Replace (Partial)	$0	$0	$0	$0	$0
1015	Rio Oso Fuel Tank - Replace	$0	$0	$0	$0	$0
1016	Water Plant - Major Reconstruction	$0	$0	$0	$0	$0
1017	Water Plant Membrane - Replace	$0	$0	$0	$0	$0
1020	Flow Sensor (Arena) - Repair/Repl	$0	$0	$0	$0	$0
1029	Plant #2 - Convert	$0	$0	$0	$0	$0
1210	Subdrain Pump Stations - Repair	$0	$0	$0	$0	$0
1211	Calero Siphon Pump Station - Repl	$0	$0	$721,919	$0	$0
1212	Chesbro Influent Valve - Repair	$125,627	$0	$0	$0	$0
1864	2008 Ford F350 - Replace 50%	$0	$0	$0	$0	$0
1865	2010 Ford Ranger - Replace 50%	$28,789	$0	$0	$0	$0
1902	Pipeline (Airport) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Alameda) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Hwy 16) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (MH Park) - Replace	$0	$0	$0	$0	$0
1902	Pipeline (Rio Oso) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipeline (Van Vleck) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Unit 1) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (N. Units 2-4) - Repl 25%	$0	$0	$0	$0	$0
1902	Pipelines (RM South) - Replace 25%	$0	$0	$0	$0	$0
1902	Pipelines (South 7&8) - Replace 25%	$142,272	$0	$0	$0	$0
1902	Pipelines (South Newest) - Repl 25%	$0	$0	$0	$263,912	$0
1902	Pipelines (Unit 6) - Repl 25%	$0	$0	$0	$0	$0
1903	Water Supply Valves - Replace 10%	$172,737	$0	$0	$0	$0
2114	Granlees Diversion Struct - Repair	$0	$0	$0	$0	$0
2114	Granlees Pump Station - Repair	$732,822	$0	$0	$0	$0
2149	Water Reservoirs - Repair	$0	$0	$0	$0	$0
2710	Lake Aerators - Replace	$188,440	$0	$0	$0	$0
	Vehicles					
1860	1997 Ford F250 - Replace	$0	$0	$0	$0	$0
1861	1997 Ford F150 - Replace	$0	$0	$0	$0	$0
1862	2000 Ford F150 - Replace	$56,532	$0	$0	$0	$0
1863	2001 Ford F250 - Replace	$0	$0	$0	$0	$0
1864	2003 Ford F150 - Replace	$0	$0	$0	$61,774	$0
1865	2003 Ford F150 - Replace	$0	$0	$0	$61,774	$0
1866	2003 Ford F150 Supercrew - Replace	$0	$0	$0	$77,790	$0
1867	2011 Ford Ranger - Replace	$0	$0	$0	$0	$0
1868	2013 Ford F-550 Truck - Replace	$0	$0	$0	$0	$0
1870	Utility Vehicle - Replace	$0	$0	$0	$0	$35,820
1871	1998 Hyster Fork Lift - Replace	$0	$0	$0	$0	$0
1872	Fluid Excavator - Replace	$0	$0	$0	$0	$0
1873	Bobcat Tractor - Replace	$0	$0	$0	$0	$0
	Total Expenses	$2,618,060	$471,539	$777,451	$465,250	$135,974
	Ending Reserve Balance:	$26,582,120	$29,459,114	$32,213,296	$35,472,515	$39,267,267

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the Water Department change each year, this Reserve Study is by nature a "one-year" document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Water Department Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, and physical factors. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the CSD's situation.

We have relied upon the client to provide the current (or projected) Water Department Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Water Department Reserve Fund. In addition, we have considered the CSD's representation of current and historical Water Department Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our "Site Inspection Notes". No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves' liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the CSD to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced attorney specializing in CSD law.

Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU British Thermal Unit (a standard unit of energy)
DIA Diameter
GSF Gross Square Feet (area)
GSY Gross Square Yards (area)
HP Horsepower
LF Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for a CSD total.

FFB = (Current Cost X Effective Age) / Useful Life

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a Water Department component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a Water Department component can be expected to serve its intended function.

Photographic Inventory Appendix

Comp # : 203 **Water Plant Road - Repair** Quantity: Approx 23,500 GSF

Location : Water Plant Access

Funded? : Yes

History :

Evaluation : Gravel road access to water plant. In good condition and intact. This component provides funding for periodic repairs to the road at roughly the interval below. Update timing and funding as future needs dictate.

Useful Life:
15 years

Remaining Life:
14 years

Best Case: $30,000 Worst Case: $40,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 303 **HVAC (WT Facility) - Replace** Quantity: (1) HVAC System

Location : Water Treatment Plant

Funded? : Yes

History :

Evaluation : Unable to inspect the system closely, but no issues reported. Assumed fully functional. We recommend planning to replace at roughly the interval below. Update timing and cost as future needs dictate.

Useful Life:
10 years

Remaining Life:
9 years

Photo Not Available

Best Case: $6,800 Worst Case: $8,200

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 304 **Meters & MXUs - Replace 33%** Quantity: 33% of (2610) Connections

Location : Throughout District

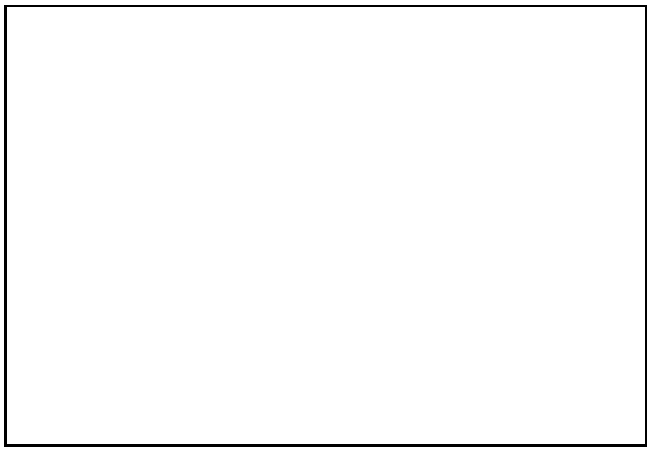
Funded? : Yes

History : 1/3 of meters & MXUs were replaced in 2010.

Evaluation : District meters are SENSUS brand. Some current and future metering will be LPERL meters. Meters are replaced based on accuracy failures, radio read failures or register failure. The District is currently replacing all SRII and older meters with Iperl meters. Each meter has an MXU radiohead transponder. They both have a reported 20 yr life. 1/3 of meters & MXUs were replaced in 2010. This component allows for replacement of 33% every 6-7 years.

Useful Life:
6 years

Remaining Life:
1 years



Best Case: $508,400 Worst Case: $610,000

Lower allowance to replace 33% Higher allowance to replace 33%

Cost Source: Client Cost History

Comp # : 314 **Equipment - Replace** Quantity: Various Equipment

Location : Water

Funded? : Yes

History :

Evaluation : No expectation to replace all equipment at one time. This component provides funding for periodic replacement of meters, reading devices, recorders, valve operators, and other equipment at roughly the interval below. Update as future needs dictate.

Useful Life:
5 years

Remaining Life:
2 years

Photo Not Available

Best Case: $20,000 Worst Case: $30,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 314 **Software/Technology - Update** Quantity: (4) Software/Techs

Location : Throughout District

Funded? : Yes

History :

Evaluation : No expectation to replace all at one time. Due to advancements in technology, we recommend setting aside funding for upgrades at roughly the interval below. Update as future needs dictate.

Useful Life:
5 years

Remaining Life:
1 years

Photo Not Available

Best Case: $100,000 Worst Case: $140,000

Lower allowance to update Higher allowance to update

Cost Source: ARSF Cost Database

Comp # : 338 **Transmission (Gran/Calero) - Repair** Quantity: Approx 9,300 LF

Location : Transmission from Granlees to Calero

Funded? : Yes

History :

Evaluation : Granlees Dam Pumping & Diversion station pumps water to Calero Reservoir. No expectation to replace completely. This component provides funding to repair transmission as needed at roughly the interval below. Update as future needs and conditions dictate.

Useful Life:
20 years

Remaining Life:
15 years

Best Case: $837,000 Worst Case: $1,162,500

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 904 **Van Vleck Tank - Refurbish/Repair** Quantity: (1) 3M Gallon Water Tank

Location : Van Vleck Tank

Funded? : Yes

History : Last inspection 2011.

Evaluation : Gravity system. Feeds South side residential area, businesses, and 1/2 of North side of residential area. Inspect every 3-4 years for needed repairs. Update timing and cost as future needs dictate.

Useful Life:
40 years

Remaining Life:
20 years

Best Case: $2,300,000 Worst Case: $3,250,000

Lower allowance to refurbish/repair Higher allowance to refurbish/repair

Cost Source: Client Asset List

Comp # : 940 **Rio Oso Tank - Rehabilitate** Quantity: (1) 1.2M Gallon Tank

Location : Rio Oso Tank

Funded? : Yes

History : Rebuilt in Dec 2008, inspected in 2011.

Evaluation : 1.2 Million Gallon tank, rehabilitated in 2008. Divers needed for investigation, resealed, recoated, new roof. Inspect every 3-4 years for needed repairs. Update timing and cost as future needs dictate.

Useful Life:
40 years

Remaining Life:
33 years

Best Case: $1,410,000 Worst Case: $1,974,000

Lower allowance to rehabilitate Higher allowance to rehabilitate

Cost Source: Client Asset List

Comp # : 941 **Rio Oso Booster Pump Station- Rehab** Quantity: (1) Pump Station

Location : Rio Oso

Funded? : Yes

History :

Evaluation : Pump Station includes; motor control panels, PLC,(2) 125HP Pumps, (2) Variable frequency drives, valves and piping.

Useful Life:
40 years

Remaining Life:
33 years

Photo Not Available

Best Case: $150,000 Worst Case: $200,000

Lower allowance to rehabilitate Higher allowance to rehabilitate

Cost Source: Estimate Provided by Client

Comp # : 942 **Rio Oso Equp. - Replace** Quantity: Generator/Trans Switch

Location : Rio Oso

Funded? : Yes

History :

Evaluation : (1) 230kw Generator, (1) 480 V Transfer switch. This component provides funding to replace the generator and transfer switch at roughly the interval below.

Useful Life:
40 years

Remaining Life:
33 years

Photo Not Available

Best Case: $125,000 Worst Case: $180,000

Lower allowance to Replace Higher allowance to Replace

Cost Source: ARSF Cost Database

Comp # : 1001 **Backflow Devices - Replace 50%** Quantity: (46) of (93) Backflows

Location : Throughout District

Funded? : Yes

History :

Evaluation : We recommend having the backflow tested annually by a backflow professional to ensure functionality. This component allows for replacement of 50% of backflow devices every 5 years.

Useful Life:
5 years

Remaining Life:
1 years

Best Case: $89,700 Worst Case: $107,600

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1007 **Fire hydrants - Replace (Partial)** Quantity: (43) of (174) Hydrants

Location : Throughout District

Funded? : Yes

History :

Evaluation : This component provides funding to replace approximately 43 hydrants and associated valve every 25 years, as-needed. Adjust future funding as needs dictate.

Useful Life:
25 years

Remaining Life:
5 years

Best Case: $150,500 Worst Case: $180,600

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1015 **Rio Oso Fuel Tank - Replace** Quantity: (1) Fuel Tank

Location : Adjacent to Rio Oso Storage Tank

Funded? : Yes

History :

Evaluation : Although timing for replacement is difficult to predict, we recommend setting aside funding to replace at roughly the interval below. Cost includes disposal.

Useful Life:
40 years

Remaining Life:
30 years

Best Case: $10,000 Worst Case: $30,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1016 **Water Plant - Major Reconstruction** Quantity: Water Plant

Location : Water Plant

Funded? : Yes

History :

Evaluation : The water treatment facility is currently under construction. Plant 1 will be completely demolished and replaced with a membrane facility. Plant 2 building & basins will remain. This component provides funding for one-time costs in 2015 associated with the Water Plant upgrade.

Useful Life:
40 years

Remaining Life:
40 years

Best Case: $11,000,000 Worst Case: $13,000,000

Lower allowance for major reconstruction Higher allowance for major reconstruction

Cost Source: Client Cost History

Comp # : 1017 **Water Plant Membrane - Replace** Quantity: Approx (95) sets

Location : Water Plant

Funded? : Yes

History :

Evaluation : The water treatment facility is currently under construction. Plant 1 will be completely demolished and replaced with a membrane facility. This component provides funding to replace membranes roughly every 5-10 years.

Useful Life:
10 years

Remaining Life:
10 years

Best Case: $180,000 Worst Case: $220,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1020 **Flow Sensor (Arena) - Repair/Repl** Quantity: (1) Flow Sensor

Location : Arena Area

Funded? : Yes

History : Installed in 2013.

Evaluation : Flow sensor at the Equestrian Arena was installed in 2013. Currently no problem are reported. Plan on repairs or partial replacement at roughly the interval listed below.

Useful Life:
25 years

Remaining Life:
23 years

Best Case: $9,000 Worst Case: $12,600

Lower allowance to repair/replace Higher allowance to repair/replace

Cost Source: Client Cost History

Comp # : 1029 Plant #2 - Convert Quantity: Plant #2

Location : Water Plant

Funded? : Yes

History :

Evaluation : Plant #2 Filtration room is clean and in good condition. Plant #2 will ultimately be de-commissioned and possibly converted to chemical storage. This component provides funding for the one time expense to convert Plant #2 accordingly. Update as future needs dictate.

Useful Life:

Remaining Life:
5 years

Best Case: $5,000 Worst Case: $10,000

Lower allowance to maintain Higher allowance to maintain

Cost Source: ARSF Cost Database

Comp # : 1210 Subdrain Pump Stations - Repair Quantity: (6) Subdrain Pump Station

Location : (3) Calero, (2) Chesbro, (1) Clementia

Funded? : Yes

History : (2) Pumps at Clementia will be replaced in 2014.

Evaluation : There are (6) subdrain pump stations; (3) Calero, (2) Chesbro, (1) Clementia. This component provides funding for period repairs as needed. Update timing and cost as future needs dictate. Update future reserve studies to separate subdrain pumps if certain locations are repaired more frequently or more extensively than others.

Useful Life:
15 years

Remaining Life:
5 years

Best Case: $75,000 Worst Case: $90,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 1211 **Calero Siphon Pump Station - Repl** Quantity: (1) Siphon Pump Station

Location : Peninsula of Calero Resevoir

Funded? : Yes

History :

Evaluation : These pumps are used to fill the transfer line from Calero to Chesbro when Calero's level drops. Once the line is filled and the valve at Chesbro is opened, it allows it to pull a siphon and the pumps can be shut back off. This component provides funding to repair/replace the pump station as needed at roughly the interval below.

Useful Life:
15 years

Remaining Life:
12 years

Best Case: $250,000 Worst Case: $400,000

Lower allowance to replace Higher allowance to replace

Cost Source: Client Assrt List

Comp # : 1212 **Chesbro Influent Valve - Repair** Quantity: Siphon Influent Control

Location : Lake Chesbro

Funded? : Yes

History :

Evaluation : The siphon pumps at Lake Calero are used to fill the transfer line from Calero to Chesbro when Calero's level drops. Once the line is filled, this valve at Chesbro is opened. It allows it to pull a siphon and the pumps at Calero can be shut back off. This component provides funding to repair/replace the pump station as needed at roughly the interval below.

Useful Life:
15 years

Remaining Life:
10 years

Best Case: $50,000 Worst Case: $70,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 1864 **2008 Ford F350 - Replace 50%** Quantity: (1) Ford F350, V#0663

Location : Water

Funded? : Yes

History :

Evaluation : 2008 Ford F350 STD Cab. Diesel. Current mileage: 47,387. In good condition. 50% of this vehicle is funded out of Sewer and 50% out of Water. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
15 years

Remaining Life:
8 years

Best Case: $20,000 Worst Case: $25,000

Lower allowance to replace 50% Higher allowance to replace 50%

Cost Source: Current MSRP

Comp # : 1865 **2010 Ford Ranger - Replace 50%** Quantity: (1) Ford Ranger, V#8210

Location : Water

Funded? : Yes

History :

Evaluation : 2010 Ford Ranger. Current mileage: 12,946. 50% of this vehicle is funded out of Sewer and 50% out of Water. In good condition. No signs of dents or scratches. Ford no longer makes the Ranger, so replacement cost is for a comparable size vehicle. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
15 years

Remaining Life:
10 years

Best Case: $12,500 Worst Case: $15,000

Lower allowance to replace 50% Higher allowance to replace 50%

Cost Source: Current MSRP

Comp # : 1902 **Pipeline (Airport) - Replace 25%** Quantity: Approx 4,000 LF X 25%

Location : Airport

Funded? : Yes

History :

Evaluation : This component provides funding to replace the water pipeline running to the Airport. Update timing and cost as needed.

Useful Life:
40 years

Remaining Life:
7 years

Photo Not Available

Best Case: $37,600 Worst Case: $44,800

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 **Pipeline (Alameda) - Replace 25%** Quantity: Approx 3,750 LF X 25%

Location : Alameda Dr.

Funded? : Yes

History : 1974

Evaluation : This component provides funding to replace the Alameda Drive water pipeline. Update timing and cost as needed.

Useful Life:
40 years

Remaining Life:
0 years

Photo Not Available

Best Case: $35,250 Worst Case: $42,000

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 **Pipeline (Hwy 16) - Replace 25%** Quantity: Approx 6,000 LF X 25%

Location : Hwy 16

Funded? : Yes

History : 1974

Evaluation : This component provides funding to replace the Hwy 16 water pipeline. Update timing and cost as needed.

Useful Life:
40 years

Remaining Life:
0 years

Photo Not Available

Best Case: $56,400 Worst Case: $67,200

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 **Pipeline (MH Park) - Replace** Quantity: Approx 11,250 LF

Location : Commercial - Mobile Home Park

Funded? : Yes

History : Original, Installed 1970.

Evaluation : This component provides funding to replace the water pipeline running to the Mobile Home Park. During the site visit we were informed that the pipelines to the Mobile Home Park are due for replacement. Funding is provided below for a complete replacement. Update timing and cost as future conditions dictate.

Useful Life:
40 years

Remaining Life:
0 years

Photo Not Available

Best Case: $528,800 Worst Case: $630,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1902 Pipeline (Rio Oso) - Replace 25% Quantity: Approx 4,480 LF X 25%

Location : Water Plant to Rio Oso Tank

Funded? : Yes

History :

Evaluation : 14" pipeline providing 35,937 gallons of water between the Water Plant and Rio Oso Tank. This component provides funding to replace the pipeline at roughly the interval below. Update timing and cost as needed.

Useful Life:
40 years

Remaining Life:
6 years

Photo Not Available

Best Case: $42,200 Worst Case: $50,200

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipeline (Van Vleck) - Replace 25% Quantity: Approx 3,180 LF X 25%

Location : Throughout District

Funded? : Yes

History :

Evaluation : 16" Pipeline transmissions; Water Plant to Bass Lake: 5,674LF, Bass Lake to North side: 2,292LF, River crossing N to S: 355LF, South River to Van Vleck: 3,895LF, Van Vleck to Murieta S. Pkwy:5,220LF, Bass Lake to Unit 6: 1,550LF. This component provides funding to replace the water pipeline at roughly the interval below. Update timing and cost as needed.

Useful Life:
40 years

Remaining Life:
17 years

Photo Not Available

Best Case: $29,900 Worst Case: $35,700

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipelines (N. Unit 1) - Replace 25% Quantity: Approx 19,200 LF X 25%

Location : Units 1-4 of RMCSD

Funded? : Yes

History : Installed 1974.

Evaluation : This component provides funding to replace the water pipeline running to Unit No. 1. Update timing and cost as needed.

Useful Life:
40 years

Remaining Life:
0 years

Photo Not Available

Best Case: $180,500 Worst Case: $215,000

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipelines (N. Units 2-4) - Repl 25% Quantity: Approx 69,150 LF X 25%

Location : North Side Units 1-4 of RMCSD

Funded? : Yes

History : Installed between 1979-1982.

Evaluation : This component provides funding to replace the water pipeline running to Units 2-4. Update timing and cost as needed.

Useful Life:
40 years

Remaining Life:
5 years

Photo Not Available

Best Case: $650,000 Worst Case: $774,500

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipelines (RM South) - Replace 25% Quantity: Approx 25,670 LF X 25%

Location : Rancho Murieta South

Funded? : Yes

History : Installed between 1990-1992.

Evaluation : This component provides funding to replace the water pipeline running to Rancho Murieta South Units; 1A/B, 2A/B, 3, 4, 5, 6. Update timing and cost as needed.

Useful Life:
40 years

Remaining Life:
16 years

Photo Not Available

Best Case: $241,300 Worst Case: $287,500

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipelines (South 7&8) - Replace 25% Quantity: Approx 6,600 LF X 25%

Location : Rancho Murieta South - Units 7 & 8

Funded? : Yes

History : Installed between 1999-2001.

Evaluation : This component provides funding to replace the water pipeline running to Rancho Murieta South Units 7 & 8. Update timing and cost as needed.

Useful Life:
40 years

Remaining Life:
25 years

Photo Not Available

Best Case: $62,000 Worst Case: $73,900

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipelines (South Newest) - Repl 25% Quantity: Approx 11,200 LF X 25%

Location : Rancho Murieta South - Unit 9 , Crest & Greens

Funded? : Yes

History : Installed between 2002-2004.

Evaluation : This component provides funding to replace the water pipeline running to Rancho Murieta South; Unit 9 , Crest & Greens. Update timing and cost as needed.

Useful Life:
40 years

Remaining Life:
28 years

Photo Not Available

Best Case: $105,300 Worst Case: $125,400

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1902 Pipelines (Unit 6) - Repl 25% Quantity: Approx 11,800 LF X 25%

Location : Rancho Murieta North - Unit 6

Funded? : Yes

History :

Evaluation : This component provides funding to replace the water pipeline running to Rancho Murieta North, Unit 6. 5,600’ of 14”, 5,650’ of 8”, and 550’ of 6” of class 150 C900 pipe. Update timing and cost as needed.

Useful Life:
40 years

Remaining Life:
8 years

Photo Not Available

Best Case: $105,000 Worst Case: $125,000

Lower allowance to replace 25% Higher allowance to replace 25%

Cost Source: ARSF Cost Database

Comp # : 1903 **Water Supply Valves - Replace 10%** Quantity: Approx 900 X 10%

Location : Throughout Water Supply System

Funded? : Yes

History :

Evaluation : There are approximately 900 valves in the water supply system for the CSD. Valves vary in size from 2" to 18". This component provides funding to replace 10% of valves every 10 years. Update timing and cost as future needs dictate.

Useful Life:
10 years

Remaining Life:
5 years

Photo Not Available

Best Case: $75,000 Worst Case: $90,000

Lower allowance to replace 10% Higher allowance to replace 10%

Cost Source: ARSF Cost Database

Comp # : 2114 **Granlees Diversion Struct - Repair** Quantity: (1) Diversion Structure

Location : Granlees Lift Station

Funded? : Yes

History : Repaired in 2014.

Evaluation : Granlees Diversion Station. RMCSD diverts water from the Cosumnes River into the CIA Ditch (Cosumnes Irrigation Association) from Nov. 1-May 31st of each year for raw water storage. Amount and times vary depending on river levels. During our site inspection it was pointed out the the structure shows signs of cracking/movement. We recommend a professional inspection.

Useful Life:
40 years

Remaining Life:
39 years

Best Case: $150,000 Worst Case: $200,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 2114 Granlees Pump Station - Repair Quantity: Raw Water Pump Station

Location : Granlees Lift Station

Funded? : Yes

History :

Evaluation : Granlees Dam Pumping & Diversion station pumps water to Calero Reservoir. (3) 500HP Pumps and (2) 150HP Pumps. No expectation to replace completely. This component provides funding for periodic repairs/replacement of pumps at roughly the interval listed below. Update timing and cost as future needs dictate.

Useful Life:
15 years

Remaining Life:
10 years

Best Case: $300,000 Worst Case: $400,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 2149 Water Reservoirs - Repair Quantity: Raw Water Storage Lakes

Location : Calero, Chesbro & Clemntia

Funded? : Yes

History :

Evaluation : (3) Reservoirs throughout the CSD. Calero - 2,630 Acres. Fed from Granlees pump station. Gravity feeds when level is high to Chesbro or is siphoned when level is lower. Chesbro - 1,131 Acres, Gravity feeds to Water Plant for water production. Clementia - 907 Acres, may be pumped to Water Plant as an emergency water source. This component provides funding for periodic repairs as needed.

Useful Life:
40 years

Remaining Life:
20 years

Best Case: $1,000,000 Worst Case: $2,000,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 2710 **Lake Aerators - Replace** Quantity: (3) Aerators

Location : Lake Chesbro

Funded? : Yes

History :

Evaluation : Aeration in Lake Chesbro is used to keep the lake mixed and oxidize Iron or Maganese. This component provides funding to replace at roughly the interval below. Update as future needs dictate.

Useful Life:
15 years

Remaining Life:
10 years

Best Case: $81,000

Lower allowance to replace

Worst Case: $99,000

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1860 **1997 Ford F250 - Replace** Quantity: (1) Ford F250, V#211

Location : Water

Funded? : Yes

History :

Evaluation : 1997 Ford F250. Current mileage: 79,191. In fair condition. Noticed dents and paint pealing. Routine maintenance should be performed to maximize useful life of the vehicle. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $32,000 Worst Case: $38,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1861 **1997 Ford F150 - Replace** Quantity: (1) Ford F150, V#7003

Location : Water

Funded? : Yes

History :

Evaluation : 1997 Ford F150. Current mileage: 109,543. In fair condition. Rust and dents are noted. Generally the CSD replaces vehicles once they reach 100,000 miles. Update timing and funding as future needs dictate.

Useful Life:
18 years

Remaining Life:
0 years

Best Case: $25,000 Worst Case: $29,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1862 **2000 Ford F150 - Replace** Quantity: (1) Ford F150, V#6367

Location : Water

Funded? : Yes

History :

Evaluation : 2000 Ford F150. Current mileage: 75,625. In fair condition with some minor scratches and dents. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
20 years

Remaining Life:
5 years

Best Case: $25,000 Worst Case: $29,000

Lower allowance to replace/repair Higher allowance to replace/repair

Cost Source: Current MSRP

Comp # : 1863 **2001 Ford F250 - Replace** Quantity: (1) Ford F250, V#8524

Location : Water

Funded? : Yes

History :

Evaluation : 2001 Ford F250 Super Duty. Current mileage: 84,654. In fair condition. Some minor scratches. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
17 years

Remaining Life:
3 years

Best Case: $32,000 Worst Case: $38,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1864 **2003 Ford F150 - Replace** Quantity: (1) Ford F150, V#4584

Location : Water

Funded? : Yes

History :

Evaluation : 2003 Ford F150 STD Cab. Current mileage: 70,240. In good condition. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
20 years

Remaining Life:
8 years

Best Case: $25,000 Worst Case: $29,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1865 **2003 Ford F150 - Replace** Quantity: (1) Ford F150, V#3817

Location : Water

Funded? : Yes

History :

Evaluation : 2003 Ford F150. Current mileage: 111,806. In good condition. No major damage noted. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
20 years

Remaining Life:
8 years

Best Case: $25,000 Worst Case: $29,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1866 **2003 Ford F150 Supercrew - Replace** Quantity: (1) Ford F150, V#3233

Location : Water

Funded? : Yes

History :

Evaluation : 2003 Ford F150 Supercrew. Current mileage: 33,544 In good condition. No signs of major dents or paint chipping. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
20 years

Remaining Life:
8 years

Best Case: $31,000 Worst Case: $37,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1867 **2011 Ford Ranger - Replace** Quantity: (1) Ford Ranger, V#5636

Location : Water

Funded? : Yes

History :

Evaluation : 2011 Ford Ranger. Current mileage: 17,165. Unable to inspect during site visit as the vehicle was in use. Ford no longer makes the Ranger, so replacement cost is for a comparable size vehicle. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
20 years

Remaining Life:
16 years

Photo Not Available

Best Case: $21,000 Worst Case: $25,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1868 **2013 Ford F-550 Truck - Replace** Quantity: (1) Ford F-550 Truck

Location : Water

Funded? : Yes

History :

Evaluation : 2013 Ford F-550 Truck. Current mileage: 4,868. Unable to inspect during site visit as the vehicle was in use. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
20 years

Remaining Life:
18 years

Photo Not Available

Best Case: $65,000 Worst Case: $89,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1870 **Utility Vehicle - Replace** Quantity: (1) Utility Vehicle

Location : Water

Funded? : Yes

History :

Evaluation : Vehicle is in good condition. Expected wear and tear. Stored in a semi-protected location. We recommend setting aside funding to replace at roughly the interval below.

Useful Life:
20 years

Remaining Life:
9 years

Best Case: $13,800 Worst Case: $16,600

Lower allowance to replace/repair Higher allowance to replace/repair

Cost Source: Client Asset List

Comp # : 1871 **1998 Hyster Fork Lift - Replace** Quantity: (1) 1998 Hyster Fork Lift

Location : Water

Funded? : Yes

History :

Evaluation : Forklift is in good condition. No problems reported, assumed functional. This component provides funding to replace the forklift at roughly the interval below.

Useful Life:
20 years

Remaining Life:
3 years

Best Case: $10,000 Worst Case: $12,000

Lower allowance to replace Higher allowance to replace

Cost Source: Client Asset List

Comp # : 1872 **Fluid Excavator - Replace** Quantity: (1) Fluid Excavator

Location : Water

Funded? : Yes

History :

Evaluation : (1) Fluid Excavator

Useful Life:
15 years

Remaining Life:
5 years

Photo Not Available

Best Case: $39,700 Worst Case: $47,700

Lower allowance to replace Higher allowance to replace

Cost Source: Client Asset List

Comp # : 1873 **Bobcat Tractor - Replace** Quantity: (1) Bobcat Comp. Tractor

Location : Water

Funded? : Yes

History :

Evaluation : Bobcat compact tractor is in good condition. Stored in a semi-protected location. We recommend setting aside funding to replace at roughly the interval below.

Useful Life:
25 years

Remaining Life:
12 years

Best Case: $75,000 Worst Case: $100,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

San Francisco Office
268 Bush Street #3434
San Francisco, CA 94104

ASSOCIATION RESERVES
San Francisco, LLC
Est. 1986
Reserve Studies for Community Associations

tel 877/618.1955
415/694.8931
916/912.4188
fax 415/762.3662
www.reservestudy.com

"Full" Reserve Study

RMCSD – Security Department

Rancho Murieta, CA

Report #: 27003-0 SECURITY
For Period Beginning: July 1, 2015
Expires: June 30, 2016

Date Prepared: January 16, 2015

DEREK ECKERT
CAI-RS
00114
DESIGNATION
RESERVE SPECIALIST

Hello, and welcome to your Reserve Study!

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

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

In this Report, you will find…

1) **A List of What you're Reserving For**

2) **An Evaluation of your Reserve Fund Size and Strength**

3) **A Recommended Multi-Year Reserve Funding Plan**

More Questions?

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

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Table of Contents

3- Minute Executive Summary

Name: RMCSD – Security Department **Assoc. #: 27003-0 SECURITY**

Location: Rancho Murieta, CA
# of Units: 1
Report Period: July 1, 2015 through June 30, 2016

Results as-of 7/1/2015:

Projected Starting Reserve Balance:	**$148,821**
Fully Funded Reserve Balance:	**$256,601**
Average Reserve Deficit (Surplus) Per Unit:	**$107,780**
Percent Funded:	**58.0%**
Recommended 2015/16 monthly Reserve Contribution:	**$3,800**

Most Recent Reserve Contribution Rate: $0

Economic Assumptions:

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

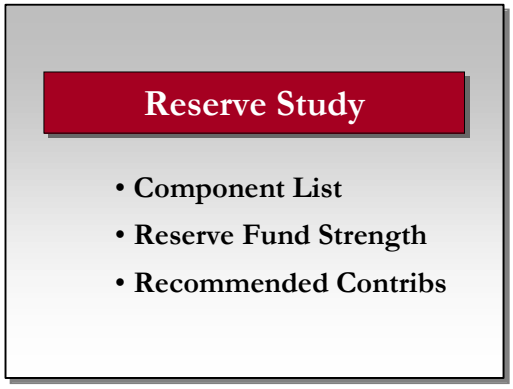
- **This is a "Full" Reserve Study (original, created "from scratch").**
- **The information in this Reserve Study is based on our site inspection on August 4, 2014.**
- **This Reserve Study was prepared under the supervision of a credentialed Reserve Specialist (RS).**
- **Because your Reserve Fund is at 58.0% Funded, this means the CSD's Security Department need for a transfer to Reserves & deferred maintenance risk is currently high.**
- **Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".**
- **Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.**
- **No assets appropriate for Reserve designation were excluded.**

Table 1: Executive Summary					27003-0 SECURITY
#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
302	Generator - Replace (South)	40	25	$30,000	$62,813
302	Generators - Replace (North)	40	40	$37,000	$120,695
303	HVAC - Replace 50%	10	6	$7,500	$8,955
304	Security Systems - Replace	8	1	$62,500	$64,375
704	Intercoms - Replace	15	2	$14,500	$15,383
705	Gate Operators(North) - Repl/Repair	10	5	$18,000	$20,867
706	Gate Oper. New(North) - Repl/Repair	10	10	$44,550	$59,871
707	Gate Operators(South) - Repl/Repair	10	3	$27,000	$29,504
1808	Safety Center - Repair/Upgrade	20	9	$12,000	$15,657
1809	South Gate Sec. Bldg. - Repair	30	10	$5,250	$7,056
1810	Barcode Readers (North) - Replace	7	2	$19,500	$20,688
1810	Barcode Readers (South) - Replace	7	2	$29,250	$31,031
1860	2012 Ford Escape XLS - Replace	20	7	$26,000	$31,977
1861	2005 Ford Ranger VIPS - Replace	20	5	$23,000	$26,663
1862	2006 Ford Explorer XLT #517 - Repl.	20	1	$35,500	$36,565
1863	2010 Ford Escape XLS #519- Repl.	20	2	$26,000	$27,583
2501	Radios - Replace/Upgrade	7	0	$11,000	$13,529
17	Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in initial year.
Note 2: a Useful Life of “N/A” means a one-time expense, not expected to repeat.

Introduction

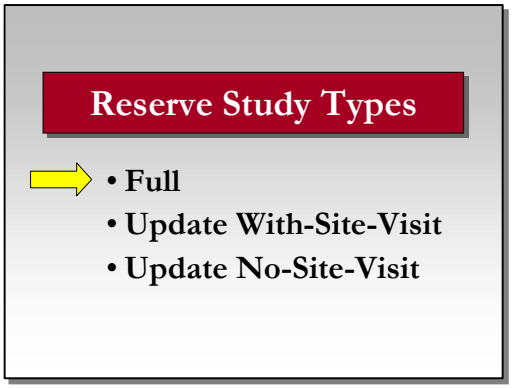
A Reserve Study is the art and science of anticipating, and preparing for, a CSD's major repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.



In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the Security Department is obligated to maintain. Based on that List and your starting balance we computed the Security Department's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing deterioration.

Methodology



First we establish what the projected expenses are, then we determine the Security Department's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established CSD precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List "from scratch".

Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a Security Department maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a "surprise" which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include "lifetime" components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

1) Visual Inspection (observed wear and age)
2) Association Reserves database of experience
3) Client Component History
4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order…

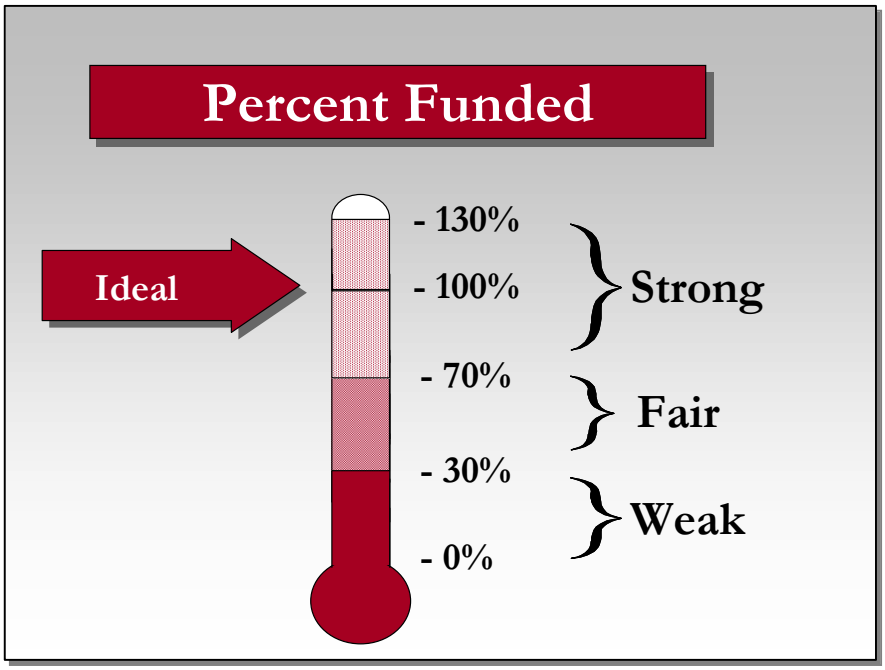
1) Client Cost History
2) Comparison to Association Reserves database of work done at similar CSDs
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

1) Calculate the Security Department Fully Funded Balance (FFB).
2) Compare to the Security Department Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the CSD Security Department increase, but shrinks when projects are accomplished and the Reserve needs of the CSD Security Department decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



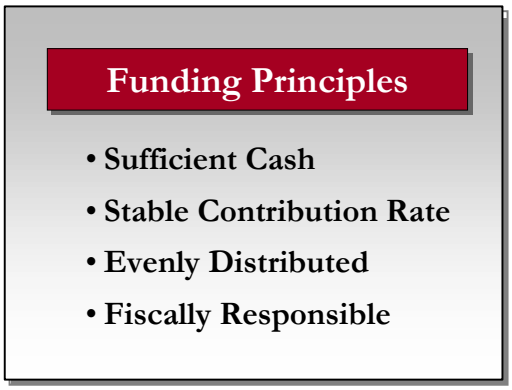
Deferred maintenance and the need for a transfer of funds to Reserves are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered “strong” because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your CSD Security Department is for upcoming Reserve expenses.

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their "fair share" of the CSD's Security Department Reserve expenses (this means we recommend a transfer of funds only when all other options have been exhausted). We develop a plan that is fiscally responsible and "safe" for Board Members to recommend to their CSD Security Department.

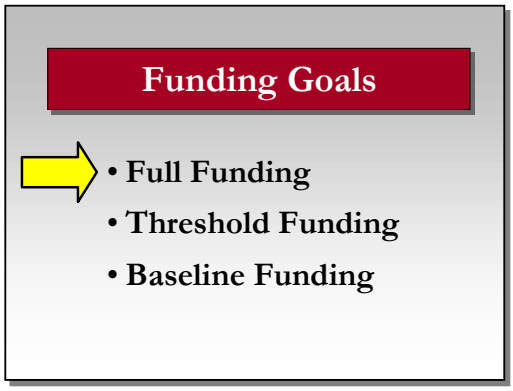


What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called "Full Funding" the Reserves (100% Funded). As each asset ages and becomes "used up", the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, CSDs in the 100% range rarely experience deferred maintenance or the need for a transfer of funds to Reserves.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these CSDs, deterioration occurs without matching Reserve contributions. With a low Percent Funded, deferred maintenance or the need for a transfer of funds to Reserves is common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.



Site Inspection Notes

During our site visit on August 4, 2014, we started with a brief meeting with Paul Siebensohn (Director of Field Operations), and then started the site inspection beginning with the Security Department main office. We visually inspected all of the security areas.

Projected Expenses

The figure below shows the array of the projected future expenses at your CSD's Security Department. All expenses are based on the average of our Best Case and Worst Case projections, inflated appropriately for future years.

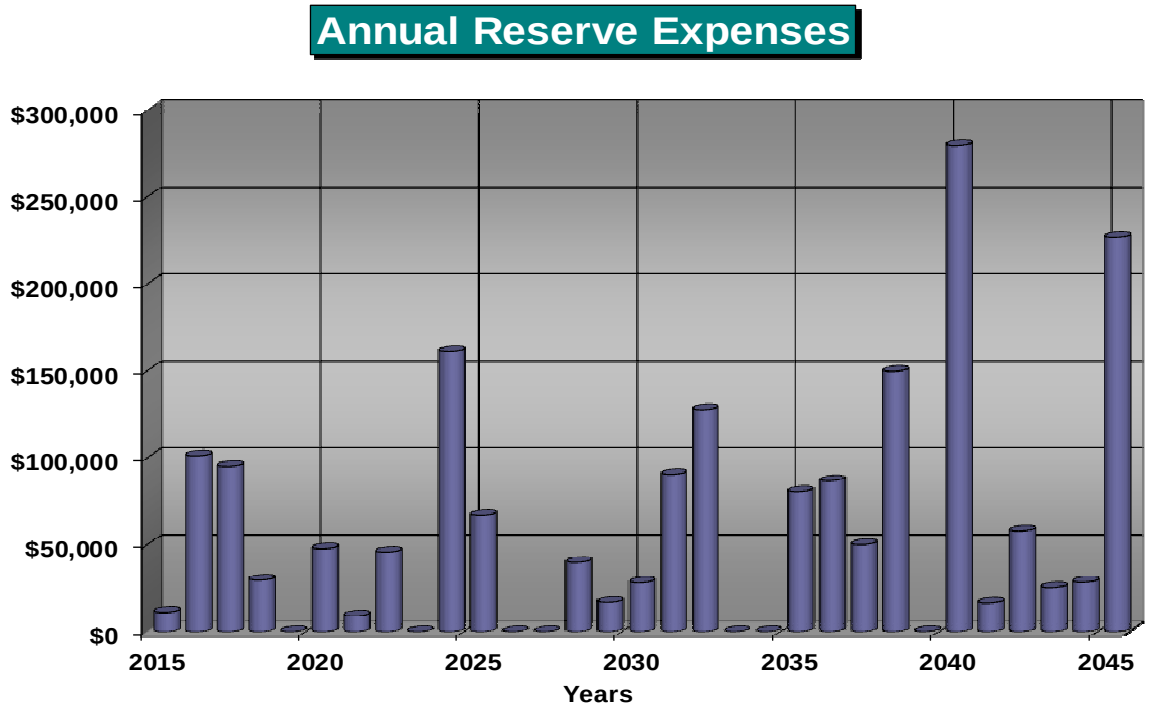


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about "near-term" projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years' worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $148,821 as-of the start of your Fiscal Year on July 1, 2015. This is based on your actual balance on 1/16/15 of $101,001, transfer of $47,820, no anticipated regular Reserve contributions and no expenses projected through the end of your Fiscal Year. As of July 1, 2015, your Fully Funded Balance is computed to be $256,601 (see Table 3). This figure represents the deteriorated value of your Security Department components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 58% Funded.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of $3,800/month this 2015/16 Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

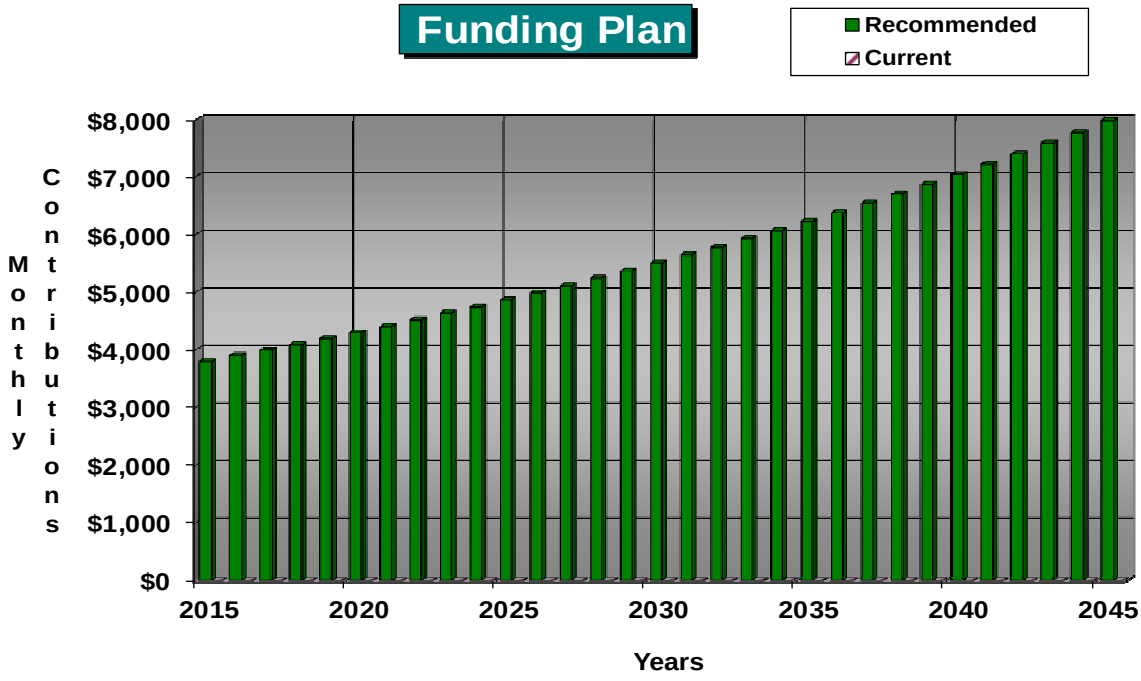


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

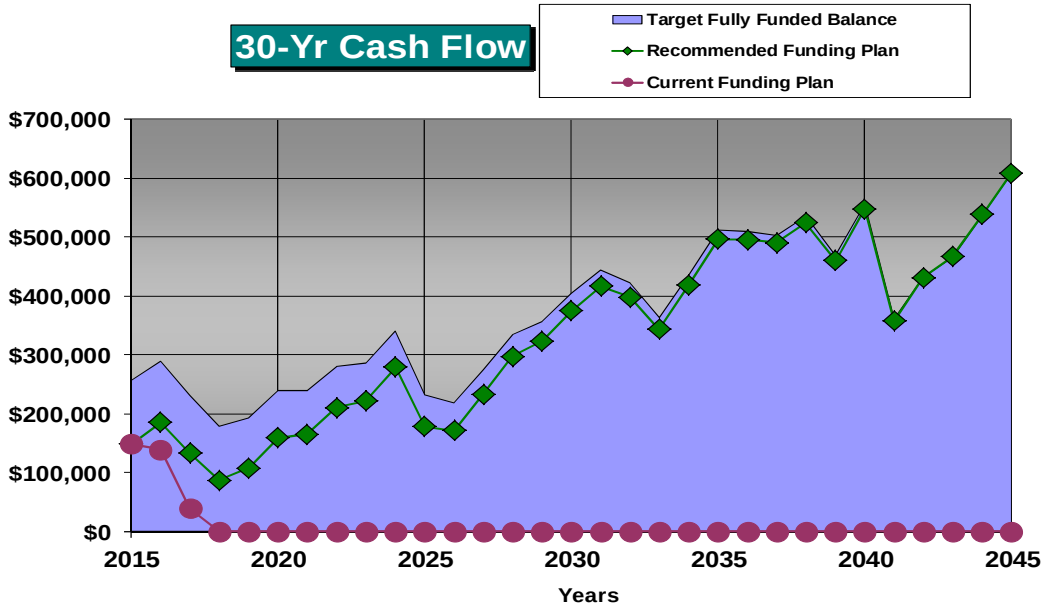


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

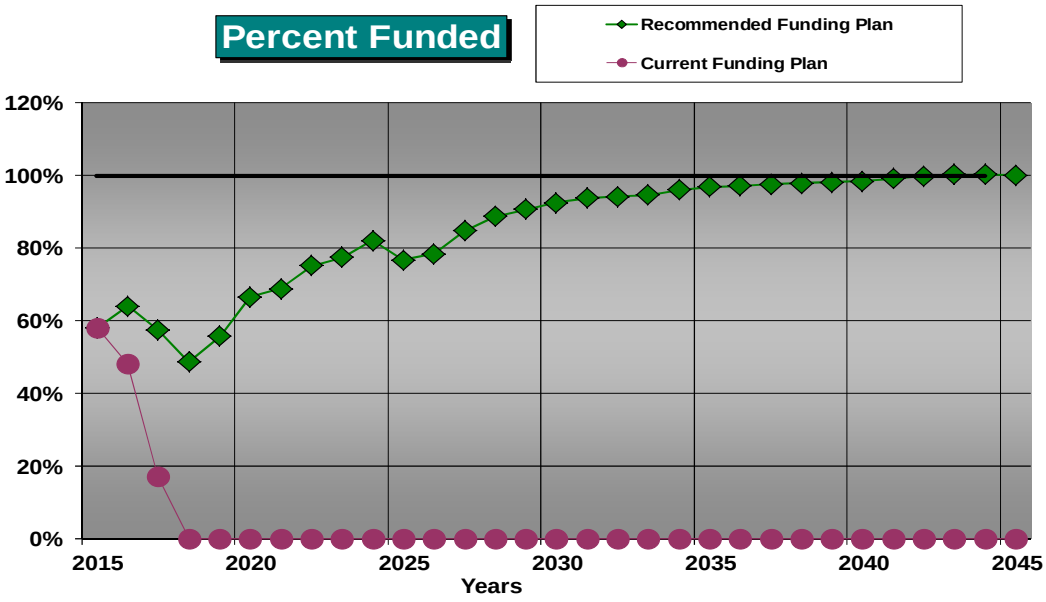


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the Security Department as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the Security Department is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the Security Department's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the Security Department (current cost divided by useful life). This presentation is not meant to cause clients to redistribute Security Department funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the Security Department, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail

27003-0
SECURITY

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
302	Generator - Replace (South)	(1) Diesel Generator	40	25	$25,000	$35,000
302	Generators - Replace (North)	(1) Generator	40	40	$35,000	$39,000
303	HVAC - Replace 50%	(2) HVAC	10	6	$7,000	$8,000
304	Security Systems - Replace	Security System Equip.	8	1	$50,000	$75,000
704	Intercoms - Replace	(2) Intercoms	15	2	$13,000	$16,000
705	Gate Operators(North) - Repl/Repair	(2) Gate Operators	10	5	$16,200	$19,800
706	Gate Oper. New(North) - Repl/Repair	(5) Gate Operators	10	10	$40,500	$48,600
707	Gate Operators(South) - Repl/Repair	(3) Gate Operators	10	3	$24,300	$29,700
1808	Safety Center - Repair/Upgrade	Approx 3,250 GSF	20	9	$9,000	$15,000
1809	South Gate Sec. Bldg. - Repair	Approx 250 GSF	30	10	$4,500	$6,000
1810	Barcode Readers (North) - Replace	(2) Barcode Readers	7	2	$18,000	$21,000
1810	Barcode Readers (South) - Replace	(3) Barcode Readers	7	2	$27,000	$31,500
1860	2012 Ford Escape XLS - Replace	(1) Ford EscapeXLS, V#520	20	7	$24,000	$28,000
1861	2005 Ford Ranger VIPS - Replace	(1) Ford Ranger, V#9157	20	5	$21,000	$25,000
1862	2006 Ford Explorer XLT #517 - Repl.	(1) Ford Explorer #517	20	1	$33,000	$38,000
1863	2010 Ford Escape XLS #519- Repl.	(1) Ford Escape #519	20	2	$24,000	$28,000
2501	Radios - Replace/Upgrade	(5) Radios	7	0	$10,000	$12,000
17	Total Funded Components					

Table 3: Contribution and Fund Breakdown

27003-0
SECURITY

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
302	Generator - Replace (South)	40	25	$30,000	$11,250	$0.00	$96.24
302	Generators - Replace (North)	40	40	$37,000	$0	$0.00	$0.00
303	HVAC - Replace 50%	10	6	$7,500	$3,000	$0.00	$96.24
304	Security Systems - Replace	8	1	$62,500	$54,688	$54,687.50	$1,002.45
704	Intercoms - Replace	15	2	$14,500	$12,567	$12,566.67	$124.04
705	Gate Operators(North) - Repl/Repair	10	5	$18,000	$9,000	$0.00	$230.96
706	Gate Oper. New(North) - Repl/Repair	10	10	$44,550	$0	$0.00	$0.00
707	Gate Operators(South) - Repl/Repair	10	3	$27,000	$18,900	$0.00	$346.45
1808	Safety Center - Repair/Upgrade	20	9	$12,000	$6,600	$0.00	$76.99
1809	South Gate Sec. Bldg. - Repair	30	10	$5,250	$3,500	$0.00	$22.45
1810	Barcode Readers (North) - Replace	7	2	$19,500	$13,929	$13,928.57	$357.45
1810	Barcode Readers (South) - Replace	7	2	$29,250	$20,893	$20,892.86	$536.17
1860	2012 Ford Escape XLS - Replace	20	7	$26,000	$16,900	$0.00	$166.81
1861	2005 Ford Ranger VIPS - Replace	20	5	$23,000	$17,250	$0.00	$147.56
1862	2006 Ford Explorer XLT #517 - Repl.	20	1	$35,500	$33,725	$33,725.00	$227.76
1863	2010 Ford Escape XLS #519- Repl.	20	2	$26,000	$23,400	$2,020.40	$166.81
2501	Radios - Replace/Upgrade	7	0	$11,000	$11,000	$11,000.00	$201.64
17	Total Funded Components				$256,601	$148,821	$3,800

Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves

27003-0
SECURITY

Fiscal Year Beginning: 07/01/15

Interest:	**1.00%**	**Inflation:**	**3.0%**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Transfer Amnts	Interest Income	Projected Reserve Expenses
2015	$148,821	$256,601	58.0%	Fair		$45,600	$0	$1,669	$11,000
2016	$185,090	$289,013	64.0%	Fair	2.50%	$46,740	$0	$1,587	$100,940
2017	$132,477	$230,842	57.4%	Fair	2.50%	$47,909	$0	$1,096	$94,685
2018	$86,796	$178,481	48.6%	Fair	2.50%	$49,106	$0	$970	$29,504
2019	$107,369	$192,834	55.7%	Fair	2.50%	$50,334	$0	$1,331	$0
2020	$159,034	$239,187	66.5%	Fair	2.50%	$51,592	$0	$1,618	$47,530
2021	$164,714	$239,192	68.9%	Fair	2.50%	$52,882	$0	$1,875	$8,955
2022	$210,516	$280,183	75.1%	Strong	2.50%	$54,204	$0	$2,159	$45,505
2023	$221,374	$286,049	77.4%	Strong	2.50%	$55,559	$0	$2,503	$0
2024	$279,436	$340,291	82.1%	Strong	2.50%	$56,948	$0	$2,285	$160,813
2025	$177,856	$231,892	76.7%	Strong	2.50%	$58,372	$0	$1,744	$66,927
2026	$171,045	$218,355	78.3%	Strong	2.50%	$59,831	$0	$2,019	$0
2027	$232,895	$274,800	84.8%	Strong	2.50%	$61,327	$0	$2,648	$0
2028	$296,869	$334,435	88.8%	Strong	2.50%	$62,860	$0	$3,099	$39,650
2029	$323,178	$356,561	90.6%	Strong	2.50%	$64,432	$0	$3,487	$16,638
2030	$374,458	$404,641	92.5%	Strong	2.50%	$66,042	$0	$3,953	$28,043
2031	$416,409	$444,052	93.8%	Strong	2.50%	$67,693	$0	$4,070	$90,265
2032	$397,908	$422,242	94.2%	Strong	2.50%	$69,386	$0	$3,707	$127,269
2033	$343,731	$363,399	94.6%	Strong	2.50%	$71,120	$0	$3,810	$0
2034	$418,662	$435,664	96.1%	Strong	2.50%	$72,898	$0	$4,572	$0
2035	$496,132	$511,939	96.9%	Strong	2.50%	$74,721	$0	$4,955	$80,462
2036	$495,346	$509,522	97.2%	Strong	2.50%	$76,589	$0	$4,926	$86,504
2037	$490,358	$502,762	97.5%	Strong	2.50%	$78,504	$0	$5,070	$49,819
2038	$524,113	$535,598	97.9%	Strong	2.50%	$80,466	$0	$4,918	$149,499
2039	$459,999	$468,819	98.1%	Strong	2.50%	$82,478	$0	$5,035	$0
2040	$547,512	$556,155	98.4%	Strong	2.50%	$84,540	$0	$4,521	$279,519
2041	$357,053	$360,404	99.1%	Strong	2.50%	$86,653	$0	$3,941	$16,174
2042	$431,473	$432,290	99.8%	Strong	2.50%	$88,820	$0	$4,491	$57,754
2043	$467,030	$465,839	100.3%	Strong	2.50%	$91,040	$0	$5,023	$25,167
2044	$537,926	$536,359	100.3%	Strong	2.50%	$93,316	$0	$5,731	$28,279

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)

27003-0 SECURITY

	Fiscal Year	2015	2016	2017	2018	2019
	Starting Reserve Balance	$148,821	$185,090	$132,477	$86,796	$107,369
	Annual Reserve Contribution	$45,600	$46,740	$47,909	$49,106	$50,334
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$1,669	$1,587	$1,096	$970	$1,331
	Total Income	$196,090	$233,417	$181,481	$136,873	$159,034
#	Component					
302	Generator - Replace (South)	$0	$0	$0	$0	$0
302	Generators - Replace (North)	$0	$0	$0	$0	$0
303	HVAC - Replace 50%	$0	$0	$0	$0	$0
304	Security Systems - Replace	$0	$64,375	$0	$0	$0
704	Intercoms - Replace	$0	$0	$15,383	$0	$0
705	Gate Operators(North) - Repl/Repair	$0	$0	$0	$0	$0
706	Gate Oper. New(North) - Repl/Repair	$0	$0	$0	$0	$0
707	Gate Operators(South) - Repl/Repair	$0	$0	$0	$29,504	$0
1808	Safety Center - Repair/Upgrade	$0	$0	$0	$0	$0
1809	South Gate Sec. Bldg. - Repair	$0	$0	$0	$0	$0
1810	Barcode Readers (North) - Replace	$0	$0	$20,688	$0	$0
1810	Barcode Readers (South) - Replace	$0	$0	$31,031	$0	$0
1860	2012 Ford Escape XLS - Replace	$0	$0	$0	$0	$0
1861	2005 Ford Ranger VIPS - Replace	$0	$0	$0	$0	$0
1862	2006 Ford Explorer XLT #517 - Repl.	$0	$36,565	$0	$0	$0
1863	2010 Ford Escape XLS #519- Repl.	$0	$0	$27,583	$0	$0
2501	Radios - Replace/Upgrade	$11,000	$0	$0	$0	$0
	Total Expenses	$11,000	$100,940	$94,685	$29,504	$0
	Ending Reserve Balance:	$185,090	$132,477	$86,796	$107,369	$159,034

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)

27003-0 SECURITY

	Fiscal Year	2020	2021	2022	2023	2024
	Starting Reserve Balance	$159,034	$164,714	$210,516	$221,374	$279,436
	Annual Reserve Contribution	$51,592	$52,882	$54,204	$55,559	$56,948
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$1,618	$1,875	$2,159	$2,503	$2,285
	Total Income	$212,245	$219,472	$266,879	$279,436	$338,669
#	Component					
302	Generator - Replace (South)	$0	$0	$0	$0	$0
302	Generators - Replace (North)	$0	$0	$0	$0	$0
303	HVAC - Replace 50%	$0	$8,955	$0	$0	$0
304	Security Systems - Replace	$0	$0	$0	$0	$81,548
704	Intercoms - Replace	$0	$0	$0	$0	$0
705	Gate Operators(North) - Repl/Repair	$20,867	$0	$0	$0	$0
706	Gate Oper. New(North) - Repl/Repair	$0	$0	$0	$0	$0
707	Gate Operators(South) - Repl/Repair	$0	$0	$0	$0	$0
1808	Safety Center - Repair/Upgrade	$0	$0	$0	$0	$15,657
1809	South Gate Sec. Bldg. - Repair	$0	$0	$0	$0	$0
1810	Barcode Readers (North) - Replace	$0	$0	$0	$0	$25,443
1810	Barcode Readers (South) - Replace	$0	$0	$0	$0	$38,165
1860	2012 Ford Escape XLS - Replace	$0	$0	$31,977	$0	$0
1861	2005 Ford Ranger VIPS - Replace	$26,663	$0	$0	$0	$0
1862	2006 Ford Explorer XLT #517 - Repl.	$0	$0	$0	$0	$0
1863	2010 Ford Escape XLS #519- Repl.	$0	$0	$0	$0	$0
2501	Radios - Replace/Upgrade	$0	$0	$13,529	$0	$0
	Total Expenses	$47,530	$8,955	$45,505	$0	$160,813
	Ending Reserve Balance:	$164,714	$210,516	$221,374	$279,436	$177,856

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)

27003-0 SECURITY

	Fiscal Year	2025	2026	2027	2028	2029
	Starting Reserve Balance	$177,856	$171,045	$232,895	$296,869	$323,178
	Annual Reserve Contribution	$58,372	$59,831	$61,327	$62,860	$64,432
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$1,744	$2,019	$2,648	$3,099	$3,487
	Total Income	$237,972	$232,895	$296,869	$362,828	$391,096
#	Component					
302	Generator - Replace (South)	$0	$0	$0	$0	$0
302	Generators - Replace (North)	$0	$0	$0	$0	$0
303	HVAC - Replace 50%	$0	$0	$0	$0	$0
304	Security Systems - Replace	$0	$0	$0	$0	$0
704	Intercoms - Replace	$0	$0	$0	$0	$0
705	Gate Operators(North) - Repl/Repair	$0	$0	$0	$0	$0
706	Gate Oper. New(North) - Repl/Repair	$59,871	$0	$0	$0	$0
707	Gate Operators(South) - Repl/Repair	$0	$0	$0	$39,650	$0
1808	Safety Center - Repair/Upgrade	$0	$0	$0	$0	$0
1809	South Gate Sec. Bldg. - Repair	$7,056	$0	$0	$0	$0
1810	Barcode Readers (North) - Replace	$0	$0	$0	$0	$0
1810	Barcode Readers (South) - Replace	$0	$0	$0	$0	$0
1860	2012 Ford Escape XLS - Replace	$0	$0	$0	$0	$0
1861	2005 Ford Ranger VIPS - Replace	$0	$0	$0	$0	$0
1862	2006 Ford Explorer XLT #517 - Repl.	$0	$0	$0	$0	$0
1863	2010 Ford Escape XLS #519- Repl.	$0	$0	$0	$0	$0
2501	Radios - Replace/Upgrade	$0	$0	$0	$0	$16,638
	Total Expenses	$66,927	$0	$0	$39,650	$16,638
	Ending Reserve Balance:	$171,045	$232,895	$296,869	$323,178	$374,458

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)

27003-0 SECURITY

	Fiscal Year	2030	2031	2032	2033	2034
	Starting Reserve Balance	$374,458	$416,409	$397,908	$343,731	$418,662
	Annual Reserve Contribution	$66,042	$67,693	$69,386	$71,120	$72,898
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$3,953	$4,070	$3,707	$3,810	$4,572
	Total Income	$444,453	$488,173	$471,000	$418,662	$496,132
#	Component					
302	Generator - Replace (South)	$0	$0	$0	$0	$0
302	Generators - Replace (North)	$0	$0	$0	$0	$0
303	HVAC - Replace 50%	$0	$12,035	$0	$0	$0
304	Security Systems - Replace	$0	$0	$103,303	$0	$0
704	Intercoms - Replace	$0	$0	$23,966	$0	$0
705	Gate Operators(North) - Repl/Repair	$28,043	$0	$0	$0	$0
706	Gate Oper. New(North) - Repl/Repair	$0	$0	$0	$0	$0
707	Gate Operators(South) - Repl/Repair	$0	$0	$0	$0	$0
1808	Safety Center - Repair/Upgrade	$0	$0	$0	$0	$0
1809	South Gate Sec. Bldg. - Repair	$0	$0	$0	$0	$0
1810	Barcode Readers (North) - Replace	$0	$31,292	$0	$0	$0
1810	Barcode Readers (South) - Replace	$0	$46,938	$0	$0	$0
1860	2012 Ford Escape XLS - Replace	$0	$0	$0	$0	$0
1861	2005 Ford Ranger VIPS - Replace	$0	$0	$0	$0	$0
1862	2006 Ford Explorer XLT #517 - Repl.	$0	$0	$0	$0	$0
1863	2010 Ford Escape XLS #519- Repl.	$0	$0	$0	$0	$0
2501	Radios - Replace/Upgrade	$0	$0	$0	$0	$0
	Total Expenses	$28,043	$90,265	$127,269	$0	$0
	Ending Reserve Balance:	$416,409	$397,908	$343,731	$418,662	$496,132

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)

27003-0 SECURITY

	Fiscal Year	2035	2036	2037	2038	2039
	Starting Reserve Balance	$496,132	$495,346	$490,358	$524,113	$459,999
	Annual Reserve Contribution	$74,721	$76,589	$78,504	$80,466	$82,478
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$4,955	$4,926	$5,070	$4,918	$5,035
	Total Income	$575,809	$576,862	$573,932	$609,498	$547,512
#	Component					
302	Generator - Replace (South)	$0	$0	$0	$0	$0
302	Generators - Replace (North)	$0	$0	$0	$0	$0
303	HVAC - Replace 50%	$0	$0	$0	$0	$0
304	Security Systems - Replace	$0	$0	$0	$0	$0
704	Intercoms - Replace	$0	$0	$0	$0	$0
705	Gate Operators(North) - Repl/Repair	$0	$0	$0	$0	$0
706	Gate Oper. New(North) - Repl/Repair	$80,462	$0	$0	$0	$0
707	Gate Operators(South) - Repl/Repair	$0	$0	$0	$53,287	$0
1808	Safety Center - Repair/Upgrade	$0	$0	$0	$0	$0
1809	South Gate Sec. Bldg. - Repair	$0	$0	$0	$0	$0
1810	Barcode Readers (North) - Replace	$0	$0	$0	$38,485	$0
1810	Barcode Readers (South) - Replace	$0	$0	$0	$57,727	$0
1860	2012 Ford Escape XLS - Replace	$0	$0	$0	$0	$0
1861	2005 Ford Ranger VIPS - Replace	$0	$0	$0	$0	$0
1862	2006 Ford Explorer XLT #517 - Repl.	$0	$66,040	$0	$0	$0
1863	2010 Ford Escape XLS #519- Repl.	$0	$0	$49,819	$0	$0
2501	Radios - Replace/Upgrade	$0	$20,463	$0	$0	$0
	Total Expenses	$80,462	$86,504	$49,819	$149,499	$0
	Ending Reserve Balance:	$495,346	$490,358	$524,113	$459,999	$547,512

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)

27003-0 SECURITY

	Fiscal Year	2040	2041	2042	2043	2044
	Starting Reserve Balance	$547,512	$357,053	$431,473	$467,030	$537,926
	Annual Reserve Contribution	$84,540	$86,653	$88,820	$91,040	$93,316
	Planned Transfer to Reserves	$0	$0	$0	$0	$0
	Interest Earnings	$4,521	$3,941	$4,491	$5,023	$5,731
	Total Income	$636,573	$447,648	$524,784	$563,093	$636,973
#	Component					
302	Generator - Replace (South)	$62,813	$0	$0	$0	$0
302	Generators - Replace (North)	$0	$0	$0	$0	$0
303	HVAC - Replace 50%	$0	$16,174	$0	$0	$0
304	Security Systems - Replace	$130,861	$0	$0	$0	$0
704	Intercoms - Replace	$0	$0	$0	$0	$0
705	Gate Operators(North) - Repl/Repair	$37,688	$0	$0	$0	$0
706	Gate Oper. New(North) - Repl/Repair	$0	$0	$0	$0	$0
707	Gate Operators(South) - Repl/Repair	$0	$0	$0	$0	$0
1808	Safety Center - Repair/Upgrade	$0	$0	$0	$0	$28,279
1809	South Gate Sec. Bldg. - Repair	$0	$0	$0	$0	$0
1810	Barcode Readers (North) - Replace	$0	$0	$0	$0	$0
1810	Barcode Readers (South) - Replace	$0	$0	$0	$0	$0
1860	2012 Ford Escape XLS - Replace	$0	$0	$57,754	$0	$0
1861	2005 Ford Ranger VIPS - Replace	$48,157	$0	$0	$0	$0
1862	2006 Ford Explorer XLT #517 - Repl.	$0	$0	$0	$0	$0
1863	2010 Ford Escape XLS #519- Repl.	$0	$0	$0	$0	$0
2501	Radios - Replace/Upgrade	$0	$0	$0	$25,167	$0
	Total Expenses	$279,519	$16,174	$57,754	$25,167	$28,279
	Ending Reserve Balance:	$357,053	$431,473	$467,030	$537,926	$608,694

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the CSD's Security Department change each year, this Reserve Study is by nature a "one-year" document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Security Department Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, and physical factors. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the CSD's Security Department situation.

We have relied upon the client to provide the current (or projected) Security Department Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Security Department Reserve Fund. In addition, we have considered the CSD's Security Department representation of current and historical Security Department Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our "Site Inspection Notes". No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves' liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the CSD to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced attorney specializing in CSD law.

Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU British Thermal Unit (a standard unit of energy)
DIA Diameter
GSF Gross Square Feet (area)
GSY Gross Square Yards (area)
HP Horsepower
LF Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for a Security Department total.

FFB = (Current Cost X Effective Age) / Useful Life

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a Security Department component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a Security Department component can be expected to serve its intended function.

Photographic Inventory Appendix

Comp # : 302 **Generator - Replace (South)** Quantity: (1) Diesel Generator

Location : South Gate entrance

Funded? : Yes

History : Installed June 2000

Evaluation : S/N: 2056338. Diesel 25Kw. Vendors typically report that with ongoing maintenance (e.g. fluids, batteries, tune ups), useful life can be extended for many years, sometimes 40-50 years. However, funding for complete replacement is often warranted due to lack of available replacement parts rather than failure of the system as a whole. Treat periodic service and inspect as general maintenance expense within Operating budget, not Reserves. Generator is a key building element in this location due to risk of severe storms and power outages, and should be tested and evaluated regularly to ensure proper function.

Useful Life:
40 years

Remaining Life:
25 years

Best Case: $25,000
Lower allowance to replace

Worst Case: $35,000
Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 302 **Generators - Replace (North)** Quantity: (1) Generator

Location : At the north secuirty gate

Funded? : Yes

History : Will be replaced approx April 2015

Evaluation : Fair, functional condition. Diesel 40Kw. Vendors typically report that with ongoing maintenance (e.g. fluids, batteries, tune ups), useful life can be extended for many years, sometimes 40-50 years. However, funding for complete replacement is often warranted due to lack of available replacement parts rather than failure of the system as a whole. Treat periodic service and inspect as general maintenance expense within Operating budget, not Reserves. Generator is a key building element in this location due to risk of severe storms and power outages, and should be tested and evaluated regularly to ensure proper function.

Useful Life:
40 years

Remaining Life:
40 years

Photo Not Available

Best Case: $35,000 Worst Case: $39,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 303 **HVAC - Replace 50%** Quantity: (2) HVAC

Location : Security buildings

Funded? : Yes

History :

Evaluation : With proactive service and maintenance, useful life can often be extended - have service vendor evaluate continuously and adjust useful life/remaining useful life as indicated within reserve study updates. As routine maintenance, regular professional inspections and maintenance will help to extend useful life cycles and achieve lowest annualized costs. Treat local repairs as a general operating and maintenance expense. Funding below is for future full replacement.

Useful Life:
10 years

Remaining Life:
6 years

Best Case: $7,000 Worst Case: $8,000

Lower allowance to replace 50% Higher allowance to replace 50%

Cost Source: ARSF Cost Database

Comp # : 304 **Security Systems - Replace** Quantity: Security System Equip.

Location : North and south entrance gates

Funded? : Yes

History :

Evaluation : Generally functional operating condition. Life of control systems can vary depending upon system needs, operator desires for management capabilities, manufacturers support, parts obsolescence, etc. Plan for replacement around the typical life expectancy as indicated below. Discuss system needs/efficiencies and current functionality with your mechanical vendor or consultant.

Useful Life:
8 years

Remaining Life:
1 years

Best Case: $50,000 Worst Case: $75,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 510 **Fiber Optics Security - Replace** Quantity: (1) Security System

Location : North and south entrance gates

Funded? : No . This was a onetime project, no expectation to need to complete this again.

History :

Evaluation : Ran fiber optics cables to the security gates to operate the security system.

Useful Life:

Remaining Life:

Photo Not Available

Best Case: Worst Case:

Cost Source:

Comp # : 704 **Intercoms - Replace** Quantity: (2) Intercoms

Location : North and south entrance gates

Funded? : Yes

History :

Evaluation : The plan is to replace the intercoms when the security gate gets replaced. Intercom is located in an unprotected location exposed to the elements. There are normal signs of wear evident including scratches, scuffs and fading. No premature wear or abuse detected. Fund at the interval below for future replacement.

Useful Life:
15 years

Remaining Life:
2 years

Best Case: $13,000 Worst Case: $16,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 705 **Gate Operators(North) - Repl/Repair** Quantity: (2) Gate Operators

Location : North Entrance

Funded? : Yes

History :

Evaluation : Functional condition noted with no functional/operational problems observed during our site inspection and no reported ongoing problems. Even with ongoing maintenance, plan for replacement at typical life expectancy indicated below. As routine maintenance, we recommend regular professional inspections including service and repair as needed from the operating budget.

Useful Life:
10 years

Remaining Life:
5 years

Best Case: $16,200 Worst Case: $19,800

Lower allowance to replace/repair Higher allowance to replace/repair

Cost Source: Client Cost History

Comp # : 706 **Gate Oper. New(North) - Repl/Repair** Quantity: (5) Gate Operators

Location : North Entrance

Funded? : Yes

History : Will be installed in 2015

Evaluation : (5) Gate operators will be installed in 2015 at the North gate. Even with ongoing maintenance, plan for replacement at typical life expectancy indicated below. As routine maintenance, we recommend regular professional inspections including service and repair as needed from the operating budget.

Useful Life:
10 years

Remaining Life:
10 years

Best Case: $40,500 Worst Case: $48,600

Lower allowance to replace/repair Higher allowance to replace/repair

Cost Source: Client Cost History

Comp # : 707 **Gate Operators(South) - Repl/Repair** Quantity: (3) Gate Operators

Location : South Entrance

Funded? : Yes

History :

Evaluation : Functional condition noted with no functional/operational problems observed during our site inspection and no reported ongoing problems. Even with ongoing maintenance, plan for replacement at typical life expectancy indicated below. As routine maintenance, we recommend regular professional inspections including service and repair as needed from the operating budget.

Useful Life:
10 years

Remaining Life:
3 years

Best Case: $24,300 Worst Case: $29,700

Lower allowance to replace/repair Higher allowance to replace/repair

Cost Source: Client Cost History

Comp # : 713 **Gate Arms - Replace** Quantity: (5) Gate Arms

Location :

Funded? : No . The project cost estimate is below a minimum threshold.

History :

Evaluation : Handle out of the operating budget.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp # : 1808 **Safety Center - Repair/Upgrade** Quantity: Approx 3,250 GSF

Location : James L. Noller Safety Center

Funded? : Yes

History :

Evaluation : The security center is currently in fair condition with no expectation for a complete replacement. This component provides funding for periodic physical repairs and upgrades to the building as needed.

Useful Life:
20 years

Remaining Life:
9 years

Best Case: $9,000 Worst Case: $15,000

Lower allowance to repair/upgrade Higher allowance to repair/upgrade

Cost Source: ARSF Cost Database

Comp # : 1809 **South Gate Sec. Bldg. - Repair** Quantity: Approx 250 GSF

Location : South entrance

Funded? : Yes

History :

Evaluation : South gate security building is a stucco building with tile roof. Currently in good condition. No expectation to replace this building. This component provides funding to replace the tile roof underlayment, replace broken tiles, provide repairs to the stucco, door and other physical repairs or upgrades to the building as needed.

Useful Life:
30 years

Remaining Life:
10 years

Best Case: $4,500 Worst Case: $6,000

Lower allowance to repair Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 1810 **Barcode Readers (North) - Replace** Quantity: (2) Barcode Readers

Location : North entrance

Funded? : Yes

History :

Evaluation : Functional condition. No issues at this time. Due to technology innovation, anticipate the need for future replacement.

Useful Life:
7 years

Remaining Life:
2 years

Best Case: $18,000 Worst Case: $21,000

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1810 **Barcode Readers (South) - Replace** Quantity: (3) Barcode Readers

Location : South entrance

Funded? : Yes

History :

Evaluation : Functional condition. No issues at this time. Due to technology innovation, anticipate the need for future replacement.

Useful Life:
7 years

Remaining Life:
2 years

Best Case: $27,000 Worst Case: $31,500

Lower allowance to replace Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 1812 **Server (Security) - Replace** Quantity: (1) Server

Location : Server Room

Funded? : No . No plans to replace this server. Plan on it being phased out.

History : 2007

Evaluation : ABDI Software system

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp # : 1860 **2012 Ford Escape XLS - Replace** Quantity: (1) Ford EscapeXLS, V#520

Location : Security

Funded? : Yes

History :

Evaluation : Ford Escape XLS, V#520. VIN #8076. Mileage - 47,164. Unable to inspect during site visit as it was in use. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
20 years

Remaining Life:
7 years

Photo Not Available

Best Case: $24,000 Worst Case: $28,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1861 **2005 Ford Ranger VIPS - Replace** Quantity: (1) Ford Ranger, V#9157

Location :

Funded? : Yes

History :

Evaluation : 2005 Ford Ranger. V#9157 VIPS. Mileage - 69,189. Unable to inspect during site visit as it was in use. Ford no longer makes the Ranger, so replacement cost is for a comparable size vehicle. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
20 years

Remaining Life:
5 years

Photo Not Available

Best Case: $21,000 Worst Case: $25,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1862 **2006 Ford Explorer XLT #517 - Repl.** Quantity: (1) Ford Explorer #517

Location :

Funded? : Yes

History :

Evaluation : 2006 Ford Explorer XLT. VIN#4732. Current mileage: 156,760. In good condition. No major damage or issues reported. The useful life varies on use and should be updated in future reports. Due to mileage, we recommend planning to replace this vehicle in the near future.

Useful Life:
20 years

Remaining Life:
1 years

Photo Not Available

Best Case: $33,000 Worst Case: $38,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 1863 **2010 Ford Escape XLS #519- Repl.** Quantity: (1) Ford Escape #519

Location :

Funded? : Yes

History :

Evaluation : 2010 Ford Escape XLS. VIN#: 1971Current mileage 95,256. In good condition. No scratches or dents visible. The useful life varies on use and should be updated in future reports. Timing for replacement is based on usage and reflects the expectation to replace the vehicle once it reaches 100,000 miles.

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $24,000 Worst Case: $28,000

Lower allowance to replace Higher allowance to replace

Cost Source: Current MSRP

Comp # : 2501 **Radios - Replace/Upgrade** Quantity: (5) Radios

Location :

Funded? : Yes

History :

Evaluation : Radio system was not inspected internally during site inspection. Should be checked and repaired as needed by servicing vendor as routine maintenance. Individual components can often be replaced for relatively low cost as an Operating Expense.

Useful Life:
7 years

Remaining Life:
0 years

Photo Not Available

Best Case: $10,000
Lower allowance to replace/upgrade

Worst Case: $12,000
Higher allowance to replace/upgrade

Cost Source: ARSF Cost Database