3- Minute Executive Summary

Association:	**Clearwood Water System**	**#: 7223-4 water**
Location:	**Yelm, WA**	**# of Units: 1355**
Report Period:	**January 1, 2016 through December 31, 2016**	

Findings/Recommendations as-of 1/1/2016:

Projected Starting Reserve Balance:	***$-62,816**
Current Fully Funded Reserve Balance:	**$5,480,361**
Average Reserve Deficit (Surplus) Per Unit:	**$4,091**
100% 2016 Annual "Full Funding" Contributions:	**$492,500**
70% Annual "Threshold Funding" Contributions:	**$425,000**
Baseline contributions (min to keep Reserves above $0:	**$345,000**
Recommended 2016 Special Assessment for Reserves:	**See below**
Most Recent Budgeted Reserve Contribution Rate:	**$250,675**

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves.....0.60%
Annual Inflation Rate.....3.00%

- **This is an "Update With-Site-Visit" Reserve Study, based on our site inspection on December 3, 2014 and meets or exceeds all requirements of the RCW. This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).**
- **Your Reserve Fund is currently -1% Funded. This means the association's special assessment & deferred maintenance risk is currently high. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems. *special assessment or loan may be needed to offset negative starting balance.**
- **Based on this starting point and your anticipated future expenses, our recommendation is to increase your Reserve contributions to within the 70% to 100% level as noted above. 100% "Full" and 70% contribution rates are designed to achieve these funding objectives *by the end* of our 30-year report scope. See photo appendix for component information; the basis of our assumptions.**

Table 1: Executive Summary				7223-4 water
#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Cost Estimate
	Water System Components			
100	Sanitary Survey	3	0	$5,500
101	Water System Plan - Update	6	1	$50,000
102	Wells - Replace with New Well 4	100	99	$400,000
103	Well Pump / Motor #1 - Replace	10	9	$11,000
104	Well #1 - Replace Casing	80	37	$135,000
105	Well Pump / Motor #2 - Replace	10	7	$16,500
106	Well #2 - Replace Casing	80	47	$135,000
107	Well Pump / Motor #4 - Replace	10	1	$20,500
108	Well #4 - Replace Casing	80	57	$135,000
109	Source Flow Meters - Replace	5	0	$7,000
110	Storage Tank #1 - Replace	80	35	$620,000
111	Storage Tank #1 -Coat Exterior Only	20	15	$27,000
112	Storage Tank #1 - Coat Interior	20	18	$106,000
114	Storage Tank #2 - Replace	80	55	$845,000
115	Storage Tank #2 -Coat Exterior Only	20	15	$65,000
116	Storage Tank #2 - Coat Interior	20	15	$250,000
118	Storage Reservoirs - Dive Inspect	5	4	$6,750
119	Reservoir 2 Ladder - Repaint	10	9	$10,900
120	Reservoir Cathodic Protection 1	20	17	$14,000
121	Reservoir Cathodic Protection 2	20	7	$20,000
122	Water Hammer Surge Tanks	50	4	$13,000
300	Water Main Project D-1: Replace	60	1	$468,000
301	Water Main Project D-2: Replace	60	4	$342,000
302	Water Main Project D-3: Replace	60	7	$362,000
303	Water Main Project D-4: Replace	60	10	$482,000
304	Water Main Project D-5a: Replace	60	13	$479,000
305	Water Main Project D-5b: Replace	60	16	$480,000
306	Water Main Project D-6: Replace	60	19	$535,000
307	Water Main Project D-7: Replace	60	22	$274,000
308	Remaining Water Main Lines -Replace	60	25	$730,000
309	Remaining Water Main Lines -Replace	60	28	$730,000
310	Main Lines Replaced 2002, Cycle	60	46	$895,000
310	Main Lines Replaced 2009, Cycle	60	53	$525,000
311	Main Valves- Rplc (2002)	30	16	$95,350
311	Main Valves- Rplc (2009)	30	23	$66,350
311	Main Valves- Rplc (other)	30	25	$58,500
311	Main Valves- Rplc (Phase 1)	30	1	$51,000
311	Main Valves- Rplc (Phase 2)	30	4	$50,450
311	Main Valves- Rplc (Phase 3)	30	7	$21,700
311	Main Valves- Rplc (Phase 4)	30	10	$28,900
311	Main Valves- Rplc (Phase 5a)	30	13	$11,000
311	Main Valves- Rplc (Phase 5b)	30	16	$10,000
311	Main Valves- Rplc (Phase 6)	30	19	$26,450
311	Main Valves- Rplc (Phase 7)	30	22	$12,550
312	Hydrant near Maint. Bldg.	30	27	$5,000
312	Hydrants - Rplc (2002)	30	16	$46,000
312	Hydrants - Rplc (2009)	30	23	$30,000

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#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Cost Estimate
312	Hydrants - Rplc (other)	30	18	$36,000
312	Hydrants - Rplc (Phase 1)	30	1	$12,000
312	Hydrants - Rplc (Phase 2)	30	4	$22,000
312	Hydrants - Rplc (Phase 3)	30	7	$26,000
312	Hydrants - Rplc (Phase 4)	30	10	$25,000
312	Hydrants - Rplc (Phase 5a)	30	13	$11,000
312	Hydrants - Rplc (Phase 5b)	30	16	$15,000
312	Hydrants - Rplc (Phase 6)	30	19	$27,000
312	Hydrants - Rplc (Phase 7)	30	22	$5,000
316	Water Service Meters -Rplc(Phase1)	10	5	$6,750
316	Water Service Meters -Rplc(Phase2)	10	6	$6,750
316	Water Service Meters -Rplc(Phase3)	10	7	$6,750
316	Water Service Meters -Rplc(Phase4)	10	8	$6,750
316	Water Service Meters -Rplc(Phase5)	10	9	$6,750
316	Water Service Meters -Rplc(Phase6)	10	0	$6,750
316	Water Service Meters -Rplc(Phase7)	10	1	$6,750
316	Water Service Meters -Rplc(Phase8)	10	2	$6,750
316	Water Service Meters -Rplc(Phase9)	10	3	$6,750
316	Water Service Meters-Rplc (Phase10)	10	4	$6,750
317	Water Meter Setters -Rplc(Phase1)	20	15	$22,380
317	Water Meter Setters -Rplc(Phase2)	20	16	$22,380
317	Water Meter Setters -Rplc(Phase3)	20	17	$22,380
317	Water Meter Setters -Rplc(Phase4)	20	18	$22,380
317	Water Meter Setters -Rplc(Phase5)	20	19	$22,380
317	Water Meter Setters -Rplc(Phase6)	20	0	$22,380
317	Water Meter Setters -Rplc(Phase7)	20	1	$22,380
317	Water Meter Setters -Rplc(Phase8)	20	2	$22,380
317	Water Meter Setters -Rplc(Phase9)	20	3	$22,380
317	Water Meter Setters-Rplc (Phase10)	20	4	$22,380
323	Cla-Val Valves - Repair/Replace	5	4	$4,500
324	Leak Detection	4	1	$6,750
400	Well 4 Control Systems - Replace	25	9	$20,000
400	Wells 1 & 2 Cntrl Systems - Replace	25	9	$33,500
401	Caustic Systems - Repair/Replace	30	14	$22,500
402	Well #1 & #2 Generator & Controls	50	48	$40,000
402	Well #4 Generator - Replace	50	30	$43,750
403	Telemetry System - Replace	20	8	$19,000
410	Well House 4 - Replace	40	11	$11,000
410	Well Houses 1, 2 - Replace	40	6	$22,500
411	Well Sites Fence - Replace	30	12	$14,500
412	Reservoir Fences - Replace	30	12	$10,300
450	Water Trailer	10	9	$5,500
450	Water Truck - Replace	10	9	$22,500
90	Total Funded Components			

Note2: Yellow highlighted line items are expected to require attention in the initial year, green highlighted items are expected to occur within the first five years.

Cross reference component numbers with photographic inventory appendix.