



The Canterwood Division 12 STEP Assoc.
Gig Harbor, WA
Level of Service: Update "With-Site-Visit"

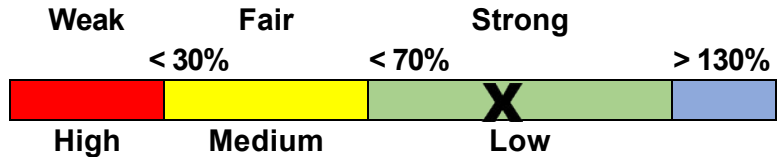
Report #: 48581-0
of Units: 71
January 1, 2024 through December 31, 2024

Findings & Recommendations

as of January 1, 2024

Starting Reserve Balance	\$71,451
Current Fully Funded Reserve Balance	\$73,572
Percent Funded	97.1 %
Average Reserve (Deficit) or Surplus Per Unit	(\$30)
Recommended 2024 100% Monthly "Full Funding" Contributions	\$563
2024 "Baseline Funding" minimum to keep Reserves above \$0	\$418
70% Funding Rate	\$478
Most Recent Budgeted Contribution Rate (2023)	\$0

Reserve Fund Strength: 97.1%



Risk of Special Assessment:

Economic Assumptions:

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

- This is an Update "With-Site-Visit", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).
- Your Reserve Fund is currently 97.1 % Funded. This means the association's special assessment & deferred maintenance risk is currently Low. 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. The current annual deterioration of your reserve components is \$5,383 - see Component Significance table.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Contributions to within the 70% to 100% range as noted above. The 100% "Full" and 70% contribution rates are designed to gradually achieve these funding objectives by the end of our 30-year report scope.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Baseline Funding" in this report is as defined within the RCW, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan contribution rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Residential Lots			
1400 Shut-off Valves - Forest Village	30	11	\$4,500
1405 Shut-off Valves - Division 12	30	11	\$4,100
Treatment Building			
1500 Building (wood)	30	20	\$10,050
1520 Pump - Repair/Replace	10	7	\$3,650
1530 Storage Tanks - 125 gal	15	7	\$5,400
1550 Flow Meter w/ data logger	15	12	\$5,050
1560 Electrical Panel/Components	30	11	\$2,950
1570 Pipes & Valves	30	11	\$6,400
Community			
1600 HDPE Sewer Pipes (Repair)	15	3	\$6,450
1620 Discharge Control Vault (Baker)	30	11	\$17,700
1630 Septic Aerator	30	11	\$20,800
1640 Air Vacuum Release Assembly	30	11	\$18,800
1660 Standard Riser & Valve Repairs	30	11	\$12,250
1670 Flow Meter (Baker Way Vault)	15	14	\$6,250
1680 Pressure Sustaining Vault (47th Ct)	30	11	\$6,700
15 Total Funded Components			

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