

Fuera de Chorro Mutual Water Company  
Water System Replacement Costs and Proposed Reserve Funding Alternatives

| AFUERA DE CHORRO<br>WATER SYSTEM RESERVE ANALYSIS SUMMARY |             |     |      |           |                      |                         |                                                              |                         |                                      | Alternative A | Alternative B                  | Alternative C     |                  |
|-----------------------------------------------------------|-------------|-----|------|-----------|----------------------|-------------------------|--------------------------------------------------------------|-------------------------|--------------------------------------|---------------|--------------------------------|-------------------|------------------|
| Water System Component                                    | Asset Class | Qty | Unit | Unit Cost | 2024 Cost to Replace | Remaining Life in Years | Projected Replacement Cost w/ 3% CPI Based on Remaining Life | Annual Replacement Cost | Notes                                | All Assets    | Short term + seleted long term | Short Term Assets | Long Term Assets |
| Well #1                                                   |             |     |      |           |                      |                         |                                                              |                         |                                      |               |                                |                   |                  |
| Control Panel                                             | Short term  | 1   | EA   | \$4,400   | \$4,400              | 10                      | \$5,913                                                      | \$591                   |                                      | \$591.32      | \$591                          | \$591.32          | \$0.00           |
| Well Pump\Motor                                           | Short term  | 1   | EA   | \$11,000  | \$11,000             | 9                       | \$14,353                                                     | \$1,595                 | Replaced in 2021                     | \$1,594.72    | \$1,595                        | \$1,594.72        | \$0.00           |
| Flow Meter                                                | Short term  | 1   | EA   | \$2,200   | \$2,200              | 1                       | \$2,266                                                      | \$2,266                 | End of Useful Life                   | \$2,266.00    | \$2,266                        | \$2,266.00        | \$0.00           |
| Discharge Check Valve                                     | Short term  | 1   | EA   | \$1,320   | \$1,320              | 10                      | \$1,774                                                      | \$177                   |                                      | \$177.40      | \$177                          | \$177.40          | \$0.00           |
| Other Well Head Plumbing                                  | Long term   | 1   | EA   | \$5,500   | \$5,500              | 20                      | \$9,934                                                      | \$497                   |                                      | \$496.68      | \$0                            | \$0.00            | \$496.68         |
| SCADA Panel                                               | Short term  | 1   | EA   | \$5,500   | \$5,500              | 10                      | \$7,392                                                      | \$739                   |                                      | \$739.15      | \$739                          | \$739.15          | \$0.00           |
| Well casing (redrill)                                     | Long term   | 1   | EA   | \$92,400  | \$92,400             | 40                      | \$301,412                                                    | \$7,535                 | drilled 2002 (hole 520; casing 420)  | \$7,535.31    | \$0                            | \$0.00            | \$7,535.31       |
| Well #3                                                   |             |     |      |           |                      |                         |                                                              |                         |                                      |               |                                | \$0.00            | \$0.00           |
| Control Panel                                             | Short term  | 1   | EA   | \$4,400   | \$4,400              | 10                      | \$5,913                                                      | \$591                   |                                      | \$591.32      | \$591                          | \$591.32          | \$0.00           |
| Well Pump\Motor                                           | Short term  | 1   | EA   | \$11,000  | \$11,000             | 7                       | \$13,529                                                     | \$1,933                 | Installed 1980, Replaced 2019        | \$1,932.66    | \$1,933                        | \$1,932.66        | \$0.00           |
| Flow Meter                                                | Short term  | 1   | EA   | \$2,200   | \$2,200              | 10                      | \$2,957                                                      | \$296                   |                                      | \$295.66      | \$296                          | \$295.66          | \$0.00           |
| Discharge Check Valve                                     | Short term  | 1   | EA   | \$1,320   | \$1,320              | 10                      | \$1,774                                                      | \$177                   |                                      | \$177.40      | \$177                          | \$177.40          | \$0.00           |
| Other Well Head Plumbing                                  | Long term   | 1   | EA   | \$5,500   | \$5,500              | 20                      | \$9,934                                                      | \$497                   |                                      | \$496.68      | \$497                          | \$0.00            | \$496.68         |
| SCADA Panel                                               | Short term  | 1   | EA   | \$5,500   | \$5,500              | 10                      | \$7,392                                                      | \$739                   |                                      | \$739.15      | \$739                          | \$739.15          | \$0.00           |
| Well casing (redrill)                                     | Long term   | 1   | EA   | \$92,400  | \$92,400             | 40                      | \$301,412                                                    | \$7,535                 | drilled 1980 (hole 420; casing 420)  | \$7,535.31    | \$7,535                        | \$0.00            | \$7,535.31       |
| Well #11                                                  |             |     |      |           |                      |                         |                                                              |                         |                                      |               |                                | \$0               | \$0.00           |
| Control Panel                                             | Short term  | 1   | EA   | \$4,400   | \$4,400              | 10                      | \$5,913                                                      | \$591                   |                                      | \$591.32      | \$591                          | \$591.32          | \$0.00           |
| Well Pump\Motor                                           | Short term  | 1   | EA   | \$11,000  | \$11,000             | 1                       | \$11,330                                                     | \$11,330                | Installed 1990, Reaching end of life | \$11,330.00   | \$11,330                       | \$11,330.00       | \$0.00           |
| Flow Meter                                                | Short term  | 1   | EA   | \$2,200   | \$2,200              | 1                       | \$2,266                                                      | \$2,266                 | End of Useful Life                   | \$2,266.00    | \$2,266                        | \$2,266.00        | \$0.00           |
| Discharge Check Valve                                     | Short term  | 1   | EA   | \$1,320   | \$1,320              | 10                      | \$1,774                                                      | \$177                   |                                      | \$177.40      | \$177                          | \$177.40          | \$0.00           |
| Other Well Head Plumbing                                  | Long term   | 1   | EA   | \$5,500   | \$5,500              | 20                      | \$9,934                                                      | \$497                   |                                      | \$496.68      | \$0                            | \$0.00            | \$496.68         |
| SCADA Panel                                               | Short term  | 1   | EA   | \$5,500   | \$5,500              | 10                      | \$7,392                                                      | \$739                   |                                      | \$739.15      | \$739                          | \$739.15          | \$0.00           |
| Well casing (redrill)                                     | Long term   | 1   | EA   | \$39,600  | \$39,600             | 40                      | \$129,177                                                    | \$3,229                 | drilled 1991 (hole 180; casing 180)  | \$3,229.42    | \$0                            | \$0.00            | \$3,229.42       |
| Well #13                                                  |             |     |      |           |                      |                         |                                                              |                         |                                      |               |                                | \$0               | \$0.00           |
| Control Panel                                             | Short term  | 1   | EA   | \$4,400   | \$4,400              | 10                      | \$5,913                                                      | \$591                   |                                      | \$591.32      | \$591                          | \$591.32          | \$0.00           |
| Well Pump\Motor                                           | Short term  | 1   | EA   | \$11,000  | \$11,000             | 1                       | \$11,330                                                     | \$11,330                | Installed 1991, Replaced in 2001     | \$11,330.00   | \$11,330                       | \$11,330.00       | \$0.00           |
| Flow Meter                                                | Short term  | 1   | EA   | \$2,200   | \$2,200              | 10                      | \$2,957                                                      | \$296                   |                                      | \$295.66      | \$296                          | \$295.66          | \$0.00           |
| Discharge Check Valve                                     | Short term  | 1   | EA   | \$1,320   | \$1,320              | 10                      | \$1,774                                                      | \$177                   |                                      | \$177.40      | \$177                          | \$177.40          | \$0.00           |
| Other Well Head Plumbing                                  | Long term   | 1   | EA   | \$5,500   | \$5,500              | 20                      | \$9,934                                                      | \$497                   |                                      | \$496.68      | \$0                            | \$0.00            | \$496.68         |
| SCADA Panel                                               | Short term  | 1   | EA   | \$5,500   | \$5,500              | 10                      | \$7,392                                                      | \$739                   |                                      | \$739.15      | \$739                          | \$739.15          | \$0.00           |
| Well casing (redrill)                                     | Long term   | 1   | EA   | \$59,400  | \$59,400             | 40                      | \$193,765                                                    | \$4,844                 | drilled 1996 (hole 1100; casing 270) | \$4,844.13    | \$0                            | \$0.00            | \$4,844.13       |

Fuera de Chorro Mutual Water Company  
Water System Replacement Costs and Proposed Reserve Funding Alternatives

|                                                   |                                                    |            |        |         |             |           |                               |             |          |                                     |             |           |             |             |          |
|---------------------------------------------------|----------------------------------------------------|------------|--------|---------|-------------|-----------|-------------------------------|-------------|----------|-------------------------------------|-------------|-----------|-------------|-------------|----------|
| Well #15                                          |                                                    |            |        |         |             |           |                               |             |          |                                     |             | \$0       | \$0.00      | \$0.00      |          |
|                                                   | Control Panel                                      | Short term | 1      | EA      | \$4,400     | \$4,400   | 10                            | \$5,913     | \$591    |                                     | \$591.32    | \$591     | \$591.32    | \$0.00      |          |
|                                                   | Well Pump/Motor                                    | Short term | 1      | EA      | \$11,000    | \$11,000  | 2                             | \$11,670    | \$5,835  | Installed 2009                      | \$5,834.95  | \$5,835   | \$5,834.95  | \$0.00      |          |
|                                                   | Flow Meter                                         | Short term | 1      | EA      | \$2,200     | \$2,200   | 10                            | \$2,957     | \$296    |                                     | \$295.66    | \$296     | \$295.66    | \$0.00      |          |
|                                                   | Discharge Check Valve                              | Short term | 1      | EA      | \$1,320     | \$1,320   | 10                            | \$1,774     | \$177    |                                     | \$177.40    | \$177     | \$177.40    | \$0.00      |          |
|                                                   | Other Well Head Plumbing                           | Long term  | 1      | EA      | \$5,500     | \$5,500   | 20                            | \$9,934     | \$497    |                                     | \$496.68    | \$0       | \$0.00      | \$496.68    |          |
|                                                   | SCADA Panel                                        | Short term | 1      | EA      | \$5,500     | \$5,500   | 10                            | \$7,392     | \$739    |                                     | \$739.15    | \$739     | \$739.15    | \$0.00      |          |
|                                                   | Well casing (redrill)                              | Long term  | 1      | EA      | \$57,200    | \$57,200  | 40                            | \$186,589   | \$4,665  | drilled 2009 (hole 400; casing 260) | \$4,664.71  | \$0       | \$0.00      | \$4,664.71  |          |
| Tank #1: 65,000 gal Water Storage Tank            |                                                    |            |        |         |             |           |                               |             |          |                                     |             | \$0       | \$0.00      | \$0.00      |          |
|                                                   | Cleaned & Inspected (every 5 years)                | Short term | 1      | EA      | \$2,000     | \$2,000   | 1                             | \$2,060     | \$2,060  | Inspected 2020 - Rating Good        | \$2,060.00  | \$2,060   | \$2,060.00  | \$0.00      |          |
|                                                   | Paint (interior and exterior)                      | Short term | 65,000 | GAL     | \$0.30      | \$19,500  | 20                            | \$35,219    | \$1,761  |                                     | \$1,760.96  | \$1,761   | \$1,760.96  | \$0.00      |          |
|                                                   | 65,000 gal Tank Replacement                        | Long term  | 65,000 | GAL     | \$2.75      | \$178,750 | 50                            | \$783,623   | \$15,672 |                                     | \$15,672.46 | \$0       | \$0.00      | \$15,672.46 |          |
| Tank #2: 95,000 gal Water Storage Tank            |                                                    |            |        |         |             |           |                               |             |          |                                     |             | \$0       | \$0.00      | \$0.00      |          |
|                                                   | Cleaned & Inspected (every 5 years)                | Short term | 1      | EA      | \$2,000     | \$2,000   | 1                             | \$2,060     | \$2,060  | Inspected 2020 - Rating Good        | \$2,060.00  | \$2,060   | \$2,060.00  | \$0.00      |          |
|                                                   | Paint (interior and exterior)                      | Short term | 95,000 | GAL     | \$0.30      | \$28,500  | 20                            | \$51,474    | \$2,574  |                                     | \$2,573.71  | \$2,574   | \$2,573.71  | \$0.00      |          |
|                                                   | 95,000 gal Tank Replacement                        | Long term  | 95,000 | GAL     | \$2.75      | \$261,250 | 50                            | \$1,145,295 | \$22,906 |                                     | \$22,905.91 | \$0       | \$0.00      | \$22,905.91 |          |
| Chlorine Injection System                         |                                                    | Short term | 1      | EA      | \$8,250     | \$8,250   | 10                            | \$11,087    | \$1,109  | Replaced 2021                       | \$1,108.73  | \$1,109   | \$1,108.73  | \$0.00      |          |
| Road Improvements for Tank Access                 |                                                    | Short term | 5,000  | SF      | \$2.65      | \$13,250  | 10                            | \$17,807    | \$1,781  |                                     | \$1,780.69  | \$1,781   | \$1,780.69  | \$0.00      |          |
| Water Distribution System                         |                                                    |            |        |         |             |           |                               |             |          |                                     |             | \$0       | \$0.00      | \$0.00      |          |
|                                                   | 2" PVC Raw Waterline                               | Long term  | 2,900  | FT      | \$83        | \$240,700 | 30                            | \$584,242   | \$19,475 |                                     | \$19,474.74 | \$0       | \$0.00      | \$19,474.74 |          |
|                                                   | 4" PVC Raw Waterline                               | Long term  | 1,500  | FT      | \$99        | \$148,500 | 30                            | \$360,448   | \$12,015 |                                     | \$12,014.95 | \$0       | \$0.00      | \$12,014.95 |          |
|                                                   | 6" ACP Waterline - Upgrade to PVC                  | Short term | 3,630  | FT      | \$138       | \$500,940 | 20                            | \$904,753   | \$45,238 | Replacement cost = new PVC          | \$45,237.67 | \$45,238  | \$45,237.67 | \$0.00      |          |
|                                                   | 8" ACP Waterline -Upgrade to PVC                   | Short term | 1,490  | FT      | \$165       | \$245,850 | 20                            | \$444,032   | \$22,202 | Replacement cost = new PVC          | \$22,201.62 | \$22,202  | \$22,201.62 | \$0.00      |          |
|                                                   | Buried Gate Valves                                 | Long term  | 5      | EA      | \$5,000     | \$25,000  | 15                            | \$38,949    | \$2,597  |                                     | \$2,596.61  | \$0       | \$0.00      | \$2,596.61  |          |
|                                                   | Residential Water Meters (Add transmitters to new) | Long term  | 22     | EA      | \$500       | \$11,000  | 20                            | \$19,867    | \$993    |                                     | \$993.36    | \$0       | \$0.00      | \$993.36    |          |
|                                                   | Residential Water Meters (Upgrade exist.)          | Short term | 4      | EA      | \$1,650     | \$6,600   | 1                             | \$6,798     | \$6,798  |                                     | \$6,798.00  | \$6,798   | \$6,798.00  | \$0.00      |          |
|                                                   | Blow Offs                                          | Long term  | 2      | EA      | \$5,060     | \$10,120  | 20                            | \$18,278    | \$914    |                                     | \$913.89    | \$0       | \$0.00      | \$913.89    |          |
|                                                   | Fire hydrants (standard)                           | Long term  | 3      | EA      | \$8,500     | \$25,500  | 20                            | \$46,056    | \$2,303  |                                     | \$2,302.79  | \$0       | \$0.00      | \$2,302.79  |          |
|                                                   | Fire hydrants (wharf style-upgrade to std)         | Long term  | 2      | EA      | \$8,500     | \$17,000  | 15                            | \$26,485    | \$1,766  |                                     | \$1,765.70  | \$0       | \$0.00      | \$1,765.70  |          |
| Reserve Balance<br>Total Required Reserve Balance |                                                    |            |        | Totals  | \$2,235,310 |           | \$5,811,566                   | \$239,495   |          | \$239,495                           | \$138,594   | \$130,562 | \$108,933   |             |          |
|                                                   |                                                    |            |        |         | \$2,235,310 |           |                               |             |          |                                     |             |           |             |             |          |
|                                                   |                                                    |            |        |         |             |           | Cost Per Month Per Connection |             | \$712.78 | Updated March 2024                  |             | \$712.78  | \$412.48    | \$388.58    | \$324.20 |
| Well drilling, use \$220/LF                       |                                                    |            |        |         |             |           |                               |             |          |                                     |             |           |             |             |          |
| Number of active meters                           |                                                    |            | 28     | 79832.5 |             |           |                               |             |          |                                     |             |           |             |             |          |
| Number of service lines for future meters         |                                                    |            | 7      |         |             |           |                               |             |          |                                     |             |           |             |             |          |