

2021 AUG - SVM ASSOC. High Level Valuation - H2O nonprofit company

Fact: Our current reserve allocations are adequately funded to service our projected infrastructure upgrades for the next five to ten years.

Today, SVM Assoc. Is in a healthy financial position. This now permits us to complete a more strategic level of long term planning. Necessary to ensure our association is capable of functioning as a viable public water business system for the next 10, 25 to 50 years.

A reasonable and common sense approach was used to establish our next level of reserve funding goals - using an agreed to **20% reserve rule:**

SVM Total System Valuation	Total Reserve Fund Goal
Minimum = \$2,000,000	\$400,000
Midpoint = \$3,000,000	\$600,000
Maximum = \$4,000,000	\$800,000

This multi-level valuation was determined by calculating projected costs, working that out with our Water System Maintenance Operator Ted Chittenden and Joe Fiano, our water treatment operator.

Main consideration: Our brand new well hole was drilled and completed in 2015; last major water infrastructure expense. The cost was ~\$250,000, in total. This enabled a fully redundant system - However, our original well is now over 40 years old - so we must plan for that next replacement well hole.

In summary, the above valuations and reserve fund goals would cover SVM budgeted and planned water system infrastructure upgrade expenses - Without necessitating ongoing increases in **SVM monthly water usage rates and/or annual assessment rate and/or water system buy-in set amount.**

++ ZERO projected increases in SVM Assoc member fees ++