MINUTES OF THE REGULAR MONTHLY BOARD MEETING OF THE BOARD OF DIRECTORS SEAL BEACH MUTUAL EIGHT September 28, 2020

The Regular Meeting of the Board of Directors of Seal Beach Mutual Eight was called to order by President Dolch at 9:29 a.m. on Monday, September 28, 2020, via Zoom, following Shareholders Open Forum.

ROLL CALL

Present:	President Dolch, Vice President Banfield, Chief Financial Officer Thompson, Secretary Weisenstein, and Director Youngs
GRF Representative:	GRF Representative Slutsky (absent)
Guests:	Five Mutual Eight Shareholders
Staff:	Ms. Hopkins, Mutual Administration Director Mr. Rodriguez, Building Inspector Ms. Gamboa, Portfolio Specialist Ms. Dullaart, Recording Secretary

INTRODUCTION

President Dolch welcomed staff and guests to the meeting.

MINUTES

Following a discussion and upon a MOTION duly made by President Dolch and seconded by Secretary Weisenstein, it was

> RESOLVED to approve the regular meeting minutes of August 24, 2020 as presented.

The MOTION passed.

GUEST SPEAKER

Following a discussion and upon a MOTION duly made by Chief Financial Officer Thompson and seconded by Secretary Weisenstein, it was

> RESOLVED to approve the 2021 Operating Budget for Mutual Eight of $924,607.00, resulting in a regular monthly Mutual assessment of $221.41 per apartment per month, for an increase of $15.03 per month over the total Mutual operating costs of 2020 as presented, and to adopt the budget forthwith.

The MOTION passed.

BUILDING INSPECTOR'S REPORT

Inspector Rodriguez presented his report (attached).

Following questions Inspector Rodriguez left the meeting at 9:55 a.m.

GRF REPRESENTATIVE

GRF Representative Slutsky was absent.

CONSENT CALENDAR

Following a discussion and upon a MOTION duly made by Chief Financial Officer Thompson and seconded by Secretary Weisenstein, it was

> RESOLVED that the Board authorizes the following transfers of funds per detailed and dated Resolutions, by consent calendar.

Transfer/ Invoice Date	*Amount*	*Originating/Destination Accounts or Payee*
7/27/2020	$11,000.00	Castlehead, Inc. Escrow (Sale of 203I, Check #034324)
7/24/2020 & 8/3/2020	$66,619.02	Roofing Standards and Beacon Sales (Invoice #11179)
8/4/2020	$33,309.52	Roofing Standards and Beacon Sales (Invoice #27640B)
8/4/2020 & 8/21/2020	$59,750.72	Roofing Standards and Beacon Sales (Invoice #24640A & 27698)
8/17/2020	$247,758.11	US Bank Restricted money Mkt to US Bank Non-Restricted Money Mkt
8/19/2020	$168,855.20	Roofing Standards and Beacon Sales (Multiple Invoices)
8/19/2020	$260,000.00	US Bank Non-Restricted Money Mkt to US Bank Checking
8/19/2020	$29,950.00	US Bank Checking to US Bank Restricted Money Mkt
8/20/2020	$10,440.00	J&J Landscaping (Invoice #100826)
8/25/2020	$15,000.00	US Bank Non-Restricted to US Bank Checking
8/31/2020	$101,500.69	US Bank Restricted Money Mkt to US Bank Non-Restricted Money Mkt
9/1/2020	$90,000.00	US Bank Non-Restricted Money Mkt to US Bank Checking

The MOTION passed.

UNFINISHED BUSINESS

Following a discussion and upon a MOTION duly made by Vice President Banfield and seconded by Director Youngs, it was

> RESOLVED to ratify added section 3.4 – Extended Patio Program to Article 3 – Porches/Golf Cart Pads of the Rules and Regulations.

The MOTION passed.

NEW BUSINESS

Following a discussion and upon a MOTION duly made by Chief Financial Officer Thompson and seconded by Secretary Weisenstein, it was

> RESOLVED to acknowledge, per the requirements of the Civil Code Section 5500(a)-(f), a review of the reconciliations of the operating and reserve accounts, operating revenues and expenses compared to the current year's budget, statements prepared by the financial institutions where the mutual has its operating and reserve accounts, an income and expense statement for the mutual's operating and reserve accounts, the check registers, monthly general ledger and delinquent assessment receivable reports for the months of August 2020.

The MOTION passed.

Following a discussion and upon a MOTION duly made by Secretary Weisenstein and seconded by Director Youngs, it was

> RESOLVED to approve the Golden Rain Foundation to negotiate the Bulk Cable Resolution and authorize the President to sign the resolution.

The MOTION passed.

Following a discussion and upon a MOTION duly made by Secretary Weisenstein and seconded by Director Youngs, it was

> RESOLVED to approve Mr. C's Towing Agreement for the towing of vehicles when there is a violation of Mutual Policy, effective 2020-2021, and authorize the President to sign the agreement.

The MOTION passed.

Following a discussion and upon a MOTION duly made by Director Youngs and seconded by Vice President Banfield, it was

> RESOLVED to approve Mutual Eight's yearly tree trimming at a cost not to exceed $6,050.00 completed in 2020 and $6,050.00 completed in 2021.

The MOTION passed.

Following a discussion and upon a MOTION duly made by Vice President Banfield and seconded by Secretary Weisenstein, it was

> RESOLVED to approve the proposal by GRF Service Maintenance to paint all Mutual curbs and parking spots. At a cost not to exceed $4,260.00. Funds to be taken from Operational Funds.

The MOTION passed.

Following a discussion and upon a MOTION duly made by Vice President Banfield and seconded by Secretary Weisenstein, it was

> RESOLVED to approve the roofing contract with Roofing Standards 2021.

The MOTION passed.

Following a discussion and upon a MOTION duly made by Secretary Weisenstein and seconded by Director Youngs, it was

> RESOLVED to approve the acceptance of the CliftonLarsonAllen, LLP Engagement Letter for the 2020 audit and to authorize the President to sign the letter.

The MOTION passed.

Following a discussion and upon a MOTION duly made by Vice President Banfield and seconded by Secretary Weisenstein, it was

> RESOLVED to approve to add the Maintenance, License, and Indemnity Agreement to Mutual Eight's Rules and Regulations, Section 3.4 – Extended Patio Program to Article 3 – Porches/Golf Cart Pads on a preliminary basis until the 28-day posting period is completed.

The MOTION passed.

SECRETARY / CORRESPONDENCE

Secretary Weisenstein received two correspondence.

CHIEF FINANCIAL OFFICER'S REPORT

Chief Financial Officer Thompson did not present her report.

MUTUAL ADMINISTRATION

Mutual Administration Director Hopkins had no report.

ANNOUNCEMENTS

NEXT MEETING: Monday, October 26, 2020 at 9:30 a.m. via Zoom

COMMITTEE REPORTS

No Committee Reports.

DIRECTORS COMMENTS

One Director made comments.

SHAREHOLDER COMMENTS

No shareholder made comment.

EXECUTIVE SESSION SUMMARY

No Executive Session.

ADJOURNMENT

There being no further business to conduct, President Dolch adjourned the meeting at 10:41 a.m. and announced there would not be an executive session following the meeting to discuss member issues.

Sandy Weisenstein

Attest, Sandy Weisenstein, Secretary
SEAL BEACH MUTUAL EIGHT
kd 9/28/2020
Attachments

MUTUAL EIGHT EMAIL BLAST

If you would like to keep up with the Mutual Eight current information and events, please submit your email address to President Dolch. To be included in the Mutual Eight email blast, please email President Dolch at the email address provided with a subject line referencing your unit number:
m8emails@gmail.com

MONTHLY INSPECTORS REPORT

MUTUAL: NO. 8 **INSPECTOR:** Victor Rodriguez

MUTUAL BOARD MEETING DATE: September 28th, 2020

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
179E	remodel	both	07/27/20	10/01/20	no	8/20/20 rough plum.electr.	John M Bergkvist
183E	flooring Bathroom	gRF	08/19/20	09/20/20	no	Final 8/27/20	BandB Carpet
183E	heat/pump	both	07/07/20	09/30/20	no		Greenwood
184A-L	roofing	both	08/18/20	10/05/20	no		Roofing Standards
184I	Remodel, lights counter tops,a/c unit,washer dryer	both	06/22/20	12/31/20	no	drywall 9/21/20	mp construction
187D	Cart pad	GRF	08/10/20	09/30/20	no	Final 9/09/20	Anguiano Lawn Care
188A-L	roofing	both	08/18/20	09/11/20	no	Final 9/03/20	Roofing Standards
191A-L	roofing	both	07/09/20	09/04/20	no	Final 8/27/20	Roofing Standards
189-J	window and front door	both	05/05/20	08/30/20	no	waiting on change order	BA Construction
190E	Remodel,cabinets,lights,washer dryer	both	09/08/20	12/20/20	no		Alpha Master Builders
191I	Remodel,bath,kitchen,counter tops,acc	both	06/22/20	12/31/20	no		mp construction
194F	Windows	both	07/29/20	08/20/20	no	waiting on change order	Seascape Enterprises
195A	flooring	GRF	07/29/20	08/20/20	no	Final 8/31/20	Family Floors
195F	Carport cabinet	GRF	09/11/20	09/30/20	no	Final 9/18/20	Imagination Unlimited
195F	screens at patio	GRF	09/21/20	10/31/20	no		Pacific Screen Doors
196E	central air	both	06/19/20	09/29/20	no	Final 9/21/20	Greenwood
197J	Cook top,Ceiling Fan	both	09/04/20	10/31/20	no		BA Construction
198F	Flooring	GRF	09/04/20	10/15/20	no	Final 9/17/20	Karys Carpets
199A-L	Roofing	both	08/18/20	09/18/20	no	sheathing 9/15/20	Roofing Standards
199I	Remodel	both	06/22/20	12/31/20	no	Insulation and lath 9/02/20	mp construction
202A-L	Roofing	both	08/18/20	09/25/20	no		Roofing Standards
204A-L	roofing	both	07/09/20	08/28/20	no	Final 9/09/20	Roofing Standards
204B	heat pump	both	08/05/20	11/12/20	no	Final 9/1/2020	Greenwood
204J	remove tub and install shower	both	09/17/20	12/15/20	no		Los Al Builders
205D	skylight	both	08/04/20	09/30/20	no	Final 9/23/20	Nationwide Painting

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
178 E		12/17/19					
182G		3/23/20	5/21/20	6/17/20	7/1/20	**8/19/2020**	
183 E		4/13/20	5/20/20	6/10/20	7/13/20	**8/19/2020**	
186 L		11/30/18					
190I		7/13/20					
195C		2/12/20					
195-A		2/10/20					
195F		7/10/20	8/19/20				
198F		9/23/20					
201H		9/23/20					
202J	FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds	6/3/20					
204J		6/5/20	7/17/20	7/23/20	8/6/20	**8/26/2020**	

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation
FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

CONTRACTS

MONTHLY INSPECTORS REPORT

MUTUAL: NO. 8 **INSPECTOR:** Victor Rodriguez

MUTUAL BOARD MEETING DATE: September 28th, 2020

CONTRACTOR	PROJECTS
J & J Landscaping	September 16, 2019 to September 15, 2022
So Cal Fire Protection	laundry room fire extinguishers - yearly
Empire Pipe and Supply	sewer cleaning - yearly
Fenn	Pest control May 31, 2021 to May 31, 2023
Fenn	Bait station -july 1,2020 to june 30, 2023
J.C. Kress Construction	stove hood replacements for re-roofing May 1,2020 - January 31,2021
B.A. Construction	dryrot and termite repair of re-roofing May 1,2020 - January 31,2021
National Coin Washer & Service, Inc.	laundry services + 29 washers and 29 dryers July 1, 2019 - June 30, 2024
Roofing Standards	Roofing of 9 building 182,196,179,191,204,188,199,202 and 184 complete by December 31,2020
Advance Painting	painting repairs of re-roofing project May 1,2020 - January 31,2021

SITE VISITS

UNIT - Reasons	
check for termites 200I	
check for mold 193H	
check smoke alarm 204B	
check for roaches 198J	
check for mice 179F	
inspect skylight shaft at 204D	
check smoke alarm at 204C	
check skylight 188D	
check emptry unit 198C	
question about skylights 196E	

ROOF LEAKS

UNIT	COMPANY	DATE FIXED
8-194K	Roofing Standards	2/27/2020
8-185L	BA Construction	2/28/2020
8-191F	BA Construction	2/28/2020
8-204H	Service maintenance	3/22/2020
8-181J	Service maintenance	3/22/2020
8-180K	Service maintenance	3/22/2020
8-191J	Service maintenance	3/26/2020
8-185i	Service maintenance	4/22/2020

Seal Beach Mutual Eight
Operating Budget
Year Ended December 31, 2021

348 Apartments	Average Monthly Per Apartment			Operating Budget In Dollars		
	2021	2020	Change	2021	2020	Change
Electricity	5.43	6.15	(0.72)	22,676	25,682	(3,006)
Telephone	0.04	0.03	0.01	167	125	42
Water	15.00	14.26	0.74	62,640	59,550	3,090
Trash	9.50	8.89	0.61	39,672	37,125	2,547
Total Utilities	**29.97**	**29.33**	**0.64**	**125,155**	**122,482**	**2,673**
Management Fee	0.56	0.56	0.00	2,339	2,339	0
Legal Fees	3.11	2.75	0.36	12,987	11,484	1,503
Investment Fees	0.00	0.00	0.00	0	0	0
Total Professional Fees	**3.67**	**3.31**	**0.36**	**15,326**	**13,823**	**1,503**
Janitorial Services	0.83	0.76	0.07	3,466	3,174	292
Landscape - Contract	31.77	30.36	1.41	132,672	126,783	5,889
Landscape - Extras	1.20	3.83	(2.63)	5,011	15,994	(10,983)
Landscape - Trees	2.87	0.00	2.87	11,985	0	11,985
Green Waste Bins	0.00	1.19	(1.19)	0	4,969	(4,969)
Painting	1.87	1.87	0.00	7,809	7,809	0
Pest Control	2.46	2.17	0.29	10,273	9,062	1,211
Structural Repairs	2.87	5.39	(2.52)	11,985	22,509	(10,524)
Miscellaneous Services	0.96	0.96	0.00	4,009	4,009	0
Escrow Expense	0.00	0.00	0.00	0	0	0
Standard Service	13.17	14.45	(1.28)	54,998	60,343	(5,345)
Total Services	**58.00**	**60.98**	**(2.98)**	**242,208**	**254,652**	**(12,444)**
State & Federal Taxes	2.30	2.66	(0.36)	9,605	11,108	(1,503)
Property & Liability Insurance	24.32	23.35	0.97	101,560	97,510	4,050
Total Taxes & Insurance	**26.62**	**26.01**	**0.61**	**111,165**	**108,618**	**2,547**
Operating Expenses	**118.26**	**119.63**	**(1.37)**	**493,854**	**499,575**	**(5,721)**
Income from Services						
Merchandise Sales	0.00	0.00	0.00	0	0	0
Laundry Machines	0.89	0.77	0.12	3,717	3,216	501
Total Services Income	**0.89**	**0.77**	**0.12**	**3,717**	**3,216**	**501**
Financial Income						
Interest Income	8.13	12.45	(4.32)	33,951	51,991	(18,040)
Interest Income Allocation	0.00	0.00	0.00	0	0	0
Gain/Loss on Investment	0.00	0.00	0.00	0	0	0
Late Charges	0.31	0.31	0.00	1,295	1,295	0
Inspection Fees	8.14	9.58	(1.44)	33,993	40,006	(6,013)
Miscellaneous	0.04	0.00	0.04	167	0	167
Parking Fines	0.00	0.00	0.00	0	0	0
Total Financial Income	**16.62**	**22.34**	**(5.72)**	**69,406**	**93,292**	**(23,886)**
Operating Income	**17.51**	**23.11**	**(5.60)**	**73,123**	**96,508**	**(23,385)**
Net Operating Cost	**100.75**	**96.52**	**4.23**	**420,731**	**403,067**	**17,664**
Reserve Funding	**120.66**	**109.86**	**10.80**	**503,876**	**458,768**	**45,108**
Total Mutual Costs	**221.41**	**206.38**	**15.03**	**924,607**	**861,835**	**62,772**
Allocated Trust Cost		**163.11**			**681,147**	
Regular assessment		**369.49**			**1,542,982**	

Property taxes are assessed to the stockholder's unit and are added to the regular assessment and become part of the monthly payment. Accordingly, they are excluded from the operating budget.

Seal Beach Mutual Eight
Assessment And Reserve Funding Disclosure Summary

1) The current regular assessment per ownership interest per month is $ [redacted] and the portion allocated to reserves per ownership interest per month is $ 99.49 .

2) Neither the board nor the members have approved additional assessments for any purpose.

3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major component during the next 30 years?

Yes X No _____

4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

5) No major components, were omitted from the reserve study, and none are excluded from the existing reserve funding:

6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated required amount to be in the reserve fund at the end of the 2020 fiscal year is $ 4,259,935 based in whole or in part on the last reserve study or update prepared by the board as of 8/5/2021. The projected reserve fund cash balance at the end of the 2020 fiscal year is $ 1,962,714 in reserves being 46.1% funded at this date.

7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated required amount to be in the reserve fund, the projected fund balance of those years, taking into account only assessments approved and other known revenues, and the percentage funded at the end of each of the next five years is:

Year	Required Funding	Projected Fund Bal.	% Funded
2021	$4,023,569	$ 1,734,702	43.1%
2022	3,724,099	1,428,439	38.4%
2023	3,453,743	1,184,651	34.3%
2024	3,306,640	1,041,811	31.5%
2025	3,459,505	1,279,949	37.0%

This financial representation set forth in this summary is based on the best estimates of the board at this time and is further predicated on the board maintaining the current Reserve Funding Plan.

Seal Beach Mutual Eight
Replacement Reserve Summary
Budget Year 2021

While preparing the annual operating budget, the board reviews the conditions and assumptions regarding the common interest of the Mutual. This review consists of updating the replacement cost and remaining useful life of the Mutual's common interest property. This data is used to develop reserve requirements using the formula set forth in Civil Code 5570 (b) (4). The board expects to finance all replacements through regular assessments to the shareholders. Accordingly, the board does not plan any special assessments.

	Estimated			Reserve Funding			
Fund	Useful Life	Remaining Life	Replacement Cost	Required Funding	Estimated Beg. Bal.	Planned 2021 Funding	Estimated % Funded
Paint	5 - 10	3 - 8	517,850	204,820	204,820	0	100.0%
Roof	30 - 35	0 - 31	3,920,700	2,531,059	1,033,978	354,288	54.8%
Infrastructure	2 - 40	0 - 18	1,901,000	1,524,056	723,917	61,200	51.5%
Total			6,339,550	4,259,935	1,962,714	415,488	55.8%

Seal Beach Mutual Eight
Project Listing for Budget Year
2021

Painting Reserve Projects

Description	Unit #	Unit Cost	Base Line Year	Base Line Cost	*Year Acqurd*	*Repl Year*	*Yrs. In Serv.*	*Useful Life*	*Years Left*	*Fnding Ratio*	*Required Balance*	*Est. Beg. Bal.*	*(Surplus)/ Deficit*	*% Funded*
Interior Surfaces - Repaint	1	10,150	2021	10,150	2015	2025	6	10	4	60.0%	6,090	6,090	0	100.0%
Pole Lights - Repaint	1	9,700	2021	9,700	2019	2024	2	5	3	40.0%	3,880	3,880	0	100.0%
Res. Bldg Stucco - Repaint	1	**252,000**	2021	252,000	2019	2029	2	10	8	20.0%	50,400	50,400	0	100.0%
Res Bldgs Wood Surfaces - I	1	70,000	2021	70,000	2019	2024	2	5	3	40.0%	28,000	28,000	0	100.0%
Carports - Repaint	1	**153,500**	2021	153,500	2014	2024	7	10	3	70.0%	107,450	107,450	0	100.0%
Wood Surfaces - Repair	1	22,500	2021	22,500	2019	2024	2	5	3	40.0%	9,000	9,000	0	100.0%
Set aside for painting		517,850		517,850							204,820	204,820	0	100.0%

Roofing Reserve Projects

Description	Unit #	Unit Cost	Base Line Year	Base Line Cost	*Year Acqurd*	*Repl Year*	*Yrs. In Serv.*	*Useful Life*	*Years Left*	*Fnding Ratio*	*Required Balance*	*Est. Beg. Bal.*	*(Surplus)/ Deficit*	*% Funded*
(2021) Building Roofs - Rep	1	562,500	2021	562,500		2021			0	100.0%	562,500	229,790	332,710	40.9%
(2022) Building Roofs - Rep	1	562,500	2021	562,500		2022			1	96.7%	543,750	222,131	321,619	40.9%
(2023) Building Roofs - Rep	1	562,500	2021	562,500		2023			2	93.3%	525,000	214,471	310,529	40.9%
(2026) Building Roofs - Rep	1	562,500	2021	562,500		2026			5	83.3%	468,750	191,492	277,258	40.9%
(2050) Building Roofs - Rep	1	1,111,500	2021	1,111,500		2050			29	3.3%	37,050	15,136	21,914	40.9%
(2028) Carport Roofs - Repl	1	185,000	2021	185,000		2028			7	79.4%	146,912	60,016	86,896	40.9%
(2029) Carport Roofs - Repl	1	230,000	2021	230,000		2029			8	77.1%	177,429	72,482	104,946	40.9%
(2052) Carport Roofs - Repl	1	37,000	2021	37,000		2052			31	11.4%	4,229	1,727	2,501	40.9%
Gutters/Downspouts (2021)	1	16,500	2021	16,500		2021			0	100.0%	16,500	6,741	9,759	40.9%
Gutters/Downspouts (2022)	1	16,500	2021	16,500		2022			1	96.7%	15,950	6,516	9,434	40.9%
Gutters/Downspouts (2023)	1	16,500	2021	16,500		2023			2	93.3%	15,400	6,291	9,109	40.9%
Gutters/Downspouts (2026)	1	16,500	2021	16,500		2026			5	83.3%	13,750	5,617	8,133	40.9%
Gutters/Downspouts (2030)	1	3,700	2021	3,700		2030			9	70.0%	2,590	1,058	1,532	40.9%
Gutters/Downspouts (2050)	1	26,000	2021	26,000		2050			29	3.3%	867	354	513	40.9%
Laundry Gutters (2050) - Re	1	11,500	2021	11,500		2050			29	3.3%	383	157	227	40.9%
Set aside for roofing		3,920,700		3,920,700							2,531,059	1,033,978	1,497,081	40.9%

Seal Beach Mutual Eight
Project Listing for Budget Year
2021

Infrastructure Reserve Projects

Description	Unit #	Unit Cost	Base Line Year	Base Line Cost	*Year Acqurd*	*Repl Year*	*Yrs. In Serv.*	*Useful Life*	*Years Left*	*Fnding Ratio*	*Required Balance*	*Est. Beg. Bal.*	*(Surplus)/ Deficit*	*% Funded*
Bumper Rails - Replace/Rep	1	19,500	2021	19,500		2039			18	10.0%	1,950	926	1,024	47.5%
Meter Cabinet Doors - Repla	1	16,000	2021	16,000		2023			2	86.7%	13,867	6,587	7,280	47.5%
Small Utility Doors - Replac	1	10,950	2021	10,950		2023			2	86.7%	9,490	4,508	4,982	47.5%
WH & Laundry Doors - Rep	1	6,300	2021	6,300		2023			2	86.7%	5,460	2,593	2,867	47.5%
Attic Screens - Replace	1	8,650	2021	8,650		2030			9	70.0%	6,055	2,876	3,179	47.5%
Bldg & Carport Signage - Re	1	9,850	2021	9,850		2023			2	88.9%	8,756	4,159	4,597	47.5%
Sewer Pipes Replace	1	150,000	2021	150,000		2022			1	50.0%	75,000	35,625	39,375	47.5%
Dist Piping & W/H (2024)	1	200,000	2021	200,000		2024			3	92.5%	185,000	87,874	97,126	47.5%
Dist Piping & W/H (2025)	1	200,000	2021	200,000		2025			4	90.0%	180,000	85,499	94,501	47.5%
Dist Piping & W/H (2025)	1	200,000	2021	200,000		2026			5	87.5%	175,000	83,124	91,876	47.5%
Dist Piping & W/H (2027)	1	200,000	2021	200,000		2027			6	85.0%	170,000	80,749	89,251	47.5%
Dist Piping & W/H (2028)	1	200,000	2021	200,000		2028			7	82.5%	165,000	78,374	86,626	47.5%
Dist Piping & W/H (2029)	1	200,000	2021	200,000		2029			8	80.0%	160,000	75,999	84,001	47.5%
Dist Piping & W/H (2030)	1	250,000	2021	250,000		2030			9	77.5%	193,750	92,030	101,720	47.5%
Pole Lights - Replace	1	97,000	2021	97,000		2028			7	76.7%	74,367	35,324	39,043	47.5%
Laundry Wall Lights - Repla	1	6,750	2021	6,750		2026			5	75.0%	5,063	2,405	2,658	47.5%
Laundry Sinks - Replace	1	6,500	2021	6,500		2030			9	70.0%	4,550	2,161	2,389	47.5%
Concrete - Repair	1	60,500	2021	60,500		2021			0	100.0%	60,500	28,737	31,763	47.5%
Trash Area Block Wall - Rep	1	25,000	2021	25,000		2031			10	50.0%	12,500	5,937	6,563	47.5%
Irrigation Controllers - Repla	1	11,400	2021	11,400		2030			9	25.0%	2,850	1,354	1,496	47.5%
Landscape - Emergency	1	16,000	2021	16,000		2025			4	60.0%	9,600	4,560	5,040	47.5%
Storage Sheds - Replace	1	2,600	2021	2,600		2031			10	50.0%	1,300	617	683	47.5%
Trees - Trim/Remove/Replac	1	4,000	2021	4,000		2021			0	100.0%	4,000	1,900	2,100	47.5%
		1,901,000		1,901,000							1,524,056	723,917	800,138	47.5%
Total requirements				6,339,550							4,259,935	1,962,714	2,297,220	46.1%

The Base Line Costs will be increased by an Inflation Factor every year through the Replacement Year.

Seal Beach Mutual Eight
Reserve Contributions Work Sheet
Budget Year 2021

Fund	Estimated Remaining Life	Current Replacement Cost	Reserve Balance Required	Reserve Balance Est. Beg. Bal.	Annual Contribution	Per Unit Per Month
Appliance	See Note 1	55,003	55,003	21,615	33,388	
	Contribution to the Appliance fund					$ 8.00
Painting	3 - 8	517,850	204,820	204,820	0	Note (2)
Roofing	0 - 31	3,920,700	2,531,059	1,033,978	354,288	Note (3)
Infrastructure	0 - 18	1,901,000	1,524,056	723,917	61,200	Note (4)
		6,339,550	4,259,935	1,962,714	415,488	$ 99.49
Emergency Reserve				168,160	55,000	Note (5)
		Total for budget		2,152,489	503,876	$ 120.66

Project Reserve Contribution Comparison				
Project	**2021**	**2020**	**Change**	**Chg PAPM**
Appliance	33,388	44,368	(10,980)	(2.63)
Painting	-	181,200	(181,200)	(43.39)
Roofing	354,288	178,200	176,088	42.17
Infrastruct	61,200	-	61,200	14.66
Emergency	55,000	55,000	-	-
Total	503,876	458,768	45,108	10.80

Notes:

1) The Appliance fund is used to fund the replacement of appliances and fixtures. The value of this fund is calculated annually and is the sum of the estimated current replacement costs times the average replacements for the past five years less an adjustment based on the estimated expenditures for the budget year. Current installed replacement cost for this calculation is $55,003, with no adjustment for 2021. For 2021, funding requirement has determined to be $33,388.

2) The board approved the transfer of excess funds of $65,560 to the roofing reserves and to not fund the painting reserves for 2021, as it is currently at 100% funded.

3) The board determined funding of $354,288 for 2021.

4) The board determined funding of $61,200 for 2021.

5) The purpose of the Emergency Fund is to cover unplanned operating and emergency expenses as needed.

Seal Beach Mutual Eight
Appliance Replacement History

Item	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Total	5 yr Avg.	Unit Installed Cost Unit	Extended
Cooktops	3	4	9	7	4	2	4	3	2	8	5	3	12	5	71	5	$ 514	$ 2,571
Ovens	4	6	9	7	8	7	14	7	5	8	3	2	11	2	93	7	1,135	7,944
Refrigerators	16	19	10	14	13	19	13	6	15	19	12	20	18	13	207	14	1,102	15,430
Hot Water Heaters	12	12	6	4	7	13	8	11	21	16	14	13	14	3	154	8	766	6,130
Garbage Disposals	10	7	10	12	16	7	17	9	6	12	7	12	11	9	145	11	229	2,521
Sinks - Bath	3	1	3	3	14	13	3	3	2	7	3	5	8	3	71	5	150	751
Sinks - Kitchen	2	3	1	3	11	6	9	5	0	6	5	9	15	2	77	4	650	2,600
Counters - Bath	0	0	1	2	2	3	4	2	0	3	1	6	4	2	30	1	600	600
Counters - Kitchen	3	3	1	3	5	3	11	2	1	4	6	6	15	2	65	3	1,420	4,261
Bath Heaters and Fan	20	5	6	5	5	14	11	8	8	6	5	10	10	4	117	8	514	4,109
Toilets	18	10	9	10	17	10	10	5	3	9	3	14	12	5	135	13	269	3,503
Faucet - Bath	15	5	4	6	14	12	4	2	4	9	1	10	7	2	95	9	139	1,252
Faucet - Kitchen	19	17	11	15	29	17	15	8	8	15	4	19	18	10	205	18	185	3,331
Hot Water Tanks - Laund	1	0	0	0	0	0	1	0	0	0	0	0	1	1	4	0	807	0
Washers	0	5	5	3	1	2	3	2	3	7	3	2	2	2	40	3	933	2,799
Dryers	0	2	5	1	1	2	3	3	3	5	6	2	1	2	36	2	717	1,435
Estimated replacement cost based on average replacement history - 2015 to 2019 x current pricing																		$ 59,237

Adjustment based on projected annual replacements in 2021	(4,234)
Combined current and contingent appliance replacements	**$ 55,003**

Appliances can be billed on bill codes other than replacement. As such, total replacement expenditures to the right may be less than the total value of replacement items listed above.

Actual expenditures:	
2019	42,707
2018	39,003
2017	38,344
2016	32,468
2015	35,428
2014	42,476
2013	42,749
2012	31,963
5 yr average	$ 37,590

SEAL BEACH MUTUAL EIGHT
FLOW OF RESERVE FUNDS

Year	Beginning Fund	Annual Funding*	Interest** 0.00%	Loans or Assessments	Expenses	Ending Fund
2020						1,962,714
2021	1,962,714	415,488	0		643,500	1,734,702
2022	1,734,702	448,727	0		754,990	1,428,439
2023	1,428,439	484,625	0		728,414	1,184,651
2024	1,184,651	523,395	0		666,235	1,041,811
2025	1,041,811	565,267	0		327,129	1,279,949
2026	1,279,949	610,488	0		1,089,428	801,009
2027	801,009	622,698	0		315,826	1,107,881
2028	1,107,881	635,152	0		782,200	960,833
2029	960,833	647,855	0		1,075,108	533,580
2030	533,580	660,812	0		566,597	627,795
2031	627,795	674,028	0		123,775	1,178,048
2032	1,178,048	687,509	0		213,172	1,652,385
2033	1,652,385	701,259	0		91,962	2,261,682
2034	2,261,682	715,284	0		601,658	2,375,308
2035	2,375,308	729,590	0		137,116	2,967,782
2036	2,967,782	744,182	0		239,927	3,472,037
2037	3,472,037	759,065	0		103,504	4,127,598
2038	4,127,598	774,247	0		309,496	4,592,349
2039	4,592,349	789,732	0		746,006	4,636,074
2040	4,636,074	805,526	0		270,040	5,171,560
2041	5,171,560	821,637	0		134,284	5,858,913
2042	5,858,913	838,069	0		307,692	6,389,290
2043	6,389,290	854,831	0		123,588	7,120,533
2044	7,120,533	871,927	0		808,579	7,183,882
2045	7,183,882	889,366	0		184,273	7,888,975
2046	7,888,975	907,153	0		336,575	8,459,553
2047	8,459,553	925,296	0		139,100	9,245,749
2048	9,245,749	943,802	0		342,078	9,847,474
2049	9,847,474	962,678	0		957,956	9,852,196
2050	9,852,196	981,932	0		3,070,606	7,763,522
Totals		21,991,622	0	0	16,190,814	

* Annual funding increases by 8% each year through 2026; then increases 2% thereafter.
** Interest earned on the fund is currently not reinvested in the fund.