

## OPERATING COST MANUAL (OCM) 2024 ADDENDUM

### Reference Notes:

1. This addendum serves as an interim update to the 2016 OCM (rev. 01/2016) in advance of a future comprehensive overall update to the OCM publication.
2. In this update/addendum, the Department of Real Estate (DRE) Subdivisions Budget Review Section has adjusted (where appropriate) certain OCM Line Items by applying a current Consumer Price Index (CPI) inflation factor of 25% covering the time period of February 2016 to June 2022.
3. The 25% CPI adjustment factor is based upon the calculated CPI for Los Angeles, San Francisco Bay Area and California overall.
  - a. [Source: State of CA Dept. of Industrial Relations, CPI Calculator]
4. This CPI adjustment may result in higher or lower operating, fixed and replacement costs for certain project specific elements. However, the DRE Budget Review Section can consider and authorize project specific adjustments when justified by a minimum of two (2) supporting estimates/bids from contractors, vendors and service professionals that have HOA expertise/experience with the subject service/product cost element (\*except as noted below).

Supporting Estimates/Bids: Project specific estimates/bids shall include at least all of the following:

- a. Vendor/contractor name and license(s) held. The vendor/contractor shall be a 3<sup>rd</sup> party independent of subdivider;
- b. Project specific details – Subdivision name, location, identification of component, type of material, size, cost (i.e. operating, maintenance, reserve, as applicable);
- c. Dates – (i) Date estimate/bid prepared (current relative to qualitative review, i.e., not more than 120 days); and (ii) Date estimate/bid will expire.

*\*Note: DRE can accept one (1) estimate for the following line items: Insurance (103); Management (401); Legal Services (402); Accounting (403) and Exterior Elevated Elements Inspection (217) or (300).*

5. Budget Worksheet/RE623 Form - Fixed Costs (100s); Operating Costs (200s); Reserves (300s) costs; and Administrative (400s) costs set forth in the 2016 OCM have been adjusted where appropriate using the formula:

$$[(2016 \text{ OCM Cost Est.}) \times 1.25 = 2023 \text{ OCM Cost Est.}]$$

6. As with all pro-forma budgeting and/or amended/updated/renewed budget preparation, there are numerous factors that must be considered such as: (a) overriding statutory changes by local, state, federal governing authorities; (b) changes in market and supply chain conditions; (c) labor and product costs; (d) technological innovation; (e) evolving trends, and (f) functional obsolescence.
7. Additional considerations affecting budget cost estimates may be necessary due to:
  - a) Regional cost factors such as urban and rural geographic locations;
  - b) Project size, scale and target market factors such as high rise\*, mid-rise, higher vs. lower density projects; and, luxury\* vs. production (entry & mid-level) markets;
  - c) Environmental considerations such as regional climate impacts/effects; and physical hazards, such as fire, seismic and flood prone areas; and
  - d) Others factors, such as mixed use project integration, shared facilities obligations, affordable housing policies, architectural design and historical preservation considerations.

*\*Additional supporting documentation/estimates for luxury a.k.a. "1st class projects" may be requested. Utilizing OCM baseline costs are not appropriate for high rise/luxury projects.*

- ❖ **The OCM and this Addendum are published by the DRE to serve as a baseline for costs and framework for the preparation of Common Interest Development (CID) proforma budget(s) that are required for the DRE's issuance of public report(s) under the Subdivided Lands Law.**

**Among other project aspects, the baseline costs set forth in the OCM and this Addendum (and any and all other costs not specified in the OCM and this Addendum) are subject to local, regional and national economic conditions. As a result, costs incurred in operating and maintaining the common area components and other maintenance obligations in CIDs are likely to be affected by inflation. Therefore, all proposed budgets must continually take these economic conditions and all other budget related factors into account in the preparation and presentation to the DRE for review.**

**The DRE requires that all proforma CID budgets (including reserve funding) be good faith estimates based upon project-specific costs, whether anticipated or actual (as applicable), for the subject association's maintenance, repair and replacement of its common area components along with any other designated maintenance obligations, and other costs such as insurance.**



October 2024

## Operating Cost Manual Addendum

Item	OCM Line Item #	Fixed/Operating/Administrative Cost	Reserve Cost
Access Control ▪ Gate/Gate Operator	313		<p>\$345 per year (repair/replacement; 15-year life – large double gates, \$625 per year)</p> <p>Gate Operator \$225 per year (all types - 5 year life)</p> <p>Total per Gate \$ 570 per year</p> <p>Loop Detector (3-5 Year Life) \$188 to 250 per year</p>
Access Control ▪ General Information	215	<p>Arm Type Gate \$88 per month</p> <p>Sliding Gate \$88 per month</p> <p>Overhead Gate \$88 per month</p> <p>Swinging Gate \$113 per month</p> <p>Patrol Service \$23-\$38 per hour; 24 hour per day service, \$5,000 per guard, \$270,000 annually per guard gate, \$4,800 annually per patrol vehicle.</p> <p>Intercoms would normally require \$2 per unit per month to cover maintenance and service calls, with \$32 per month as a minimum.</p> <p>Telephone Entry \$57 monthly per directory location. Recreational Facility \$63 monthly per telephone.</p>	
Accounting Fees	403	<p>HOAs w/expected gross annual income of more than \$75,000, the cost of an uncertified audit or financial review may begin at \$1,500. As the number of units increase, so will the cost. Therefore, we recommend budgeting \$1,500 per year or \$19 per unit per year, whichever is greater.</p> <p>Minimum cost for a certified audit ranges from \$2,500–\$5,625 depending on size of community. HOAs w/expected gross annual income of less than \$75,000, financial review/tax preparation can be expected to cost \$938 per year.</p>	
Air Conditioning	212	<p>Combined heating/cooling units require regular servicing &amp; allowance of \$32 per month for average recreation rooms. Larger installations may be on separate service contract &amp; a budget allowance be provided to cover the contract price.</p>	
Appliances	311		Cost ÷ 10 Years
Cable Television	205	<p>The monthly contract rate for cable TV may range from \$50-\$63 per unit or month, depending on the locality and the extent of the service offered. Check with your cable provider to determine the actual amount. Antenna system \$0.94-\$1.56 per unit per month. Underground cabling \$3.13-\$6.25 per unit per month.</p>	
Community Network	217	<p>High speed cable system \$10,000-\$250,000. Cost may be higher depending on the level of sophistication of the system and the site. Service provider fee \$44-\$94 per unit per month. \$375-\$625 per month for a regularly updated Association website. Actual contracts should be used to support cost used in the budget whenever possible.</p>	
Corporation Franchise Tax	102	<b>Refer to Franchise Tax Board</b>	
Custodial	207	<p>Carpeting \$0.13-\$0.23 per SQ FT per month</p> <p>Hardwood \$0.23-\$0.31 per SQ FT per month</p> <p>Contracted Employee \$22.50-\$31.25 Hourly; HOA Employee \$15 Hourly.</p> <p>Restroom (2 Rooms) \$50 per month</p> <p>Laundry Room (1 Room) \$38 per month</p>	

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Custodial (cont.)	207	In no event should custodial service be calculated at less than \$438 per month for any type of custodial cleaning. In small projects it might be more economical to have the landscape contractor do the custodial work.	
Custodial Supplies	207A	An average of \$63-\$250 per month is a good preliminary amount until the association has some history of expenses in these areas.	
Drives, Private Streets & Parking Areas	211	Sweeping is normally done once a month. The present contract rate is approximately \$63 per acre of street surface area per sweeping with a minimum charge of \$125.	
	307		<p><b>Asphalt (moderate climates):</b> \$0.25 per SQ FT per year, resealed every 3-5 years</p> <p><b>Oil and Chip Surfaces:</b> \$0.15 per SQ FT per year, 3 or 4 year life</p> <p><b>Concrete Repairs:</b> \$0.06 per SQ FT per year</p> <p><b>Pavers:</b> \$0.06 per SQ FT per year</p>
Education	404	The recommended minimum is \$3 per unit per month or \$32 per month, whichever is greater, but no more than \$3,750 per year.	
Electric Lighting Fixtures	304		<p><b>Exterior Fixture:</b> \$13-\$15 per year per fixture</p> <p><b>Street Lights:</b> \$125-\$188 per year per light</p>
Electrical Energy	201	See Electrical Energy Consumption Worksheet of the RE623. Electrical operation costs for lights (interior, exterior, outdoor/walkway, street, sports court), elevators, heating, water heating, air conditioning, motorized gates, sump pumps, pool/spa, and other electrical motors/general equipment are to be calculated into the Association budget.	
Elevators	210	<p><b>Overhead Traction Type:</b> Full service contract—\$5,625-\$6,875 per year</p> <p><b>Hydraulic Lift Type:</b> Full service contract—\$3,125-\$3,750 per year</p> <p><b>High-Speed Elevator:</b> The cost averages \$9,000 per year per elevator</p> <p>Include an additional \$250 per year per elevator for interior maintenance or refurbishment</p>	
	306		<p><b>Hydraulic</b> \$1,313 per year</p> <p><b>Traction full service only</b> - no reserve</p>
Fencing & Walls	312		<p><b>Chain Link (repair/replacement; 17 year life)</b> - \$1.25 per LF per year</p> <p><b>Concrete Block (repair)</b> - \$0.31 per LF per year</p> <p><b>Concrete Block (paint)</b> - \$0.38 per SQ FT per side per year</p> <p><b>Tubular Fence (paint)</b> \$1.25 per SQ FT per year</p> <p><b>Tubular Fence (repair/replacement; 15 year life)</b> - \$3.75 per LF per year</p> <p><b>Wood (repair/replacement 10 year life)</b> - \$3.75 per LF per year</p> <p><b>Wood (paint/stain)</b> - \$1.00 per SQ FT per side per year</p> <p><b>Wrought Iron (paint)</b> \$1.25 per SQ FT per year/from paint worksheet</p> <p><b>Wrought Iron (repair/replacement 20 year life)</b> - \$6.25 per LF per year</p>

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Fences & Walls (cont.)	312		<p style="text-align: center;">View Panels (20 year life) - \$2.50 per LF per year</p> <p style="text-align: center;">Wood Siding (repair/replacement 15-year life) - \$0.75 per SQ FT per year</p>
Fire Sprinklers, Fire Alarms & Fire Extinguishers	218	Off-site monitoring runs from \$50–\$69 per location per month. Each location requires a separate alarm panel with two phone lines. Each phone line normally costs from \$48–\$63 per month. Wireless monitoring may also be available. Consult vendor for cost estimate.	
		Annual inspections of the fire sprinkler system cost from \$157–\$250 per building, and fire sprinkler quarterly inspections range from \$107–\$125 per building. A five-year recertification of the system, which includes inspecting all of the sprinkler heads, costs from \$375-\$500 per building.	
		Fire alarm systems should be inspected quarterly and usually costs about \$57. A typical fire alarm panel costs around \$3,750 and should usually last 15–20 years before having to be replaced.	
		Fire extinguishers need to be inspected, recharged, and recertified annually at a cost of \$19–\$25 per extinguisher.	
Floor Coverings	305		<p style="text-align: center;"><b>Carpeting</b> \$1.00 per SQ FT per year with 5-7 year life</p> <p style="text-align: center;"><b>Linoleum</b> \$0.38 per SQ FT per year with 10-14 year life</p> <p style="text-align: center;"><b>Hardwood</b> (refinishing only) \$0.50 per SQ FT per year with 7-10 year life</p> <p style="text-align: center;"><b>Vinyl Tile/Sheet</b> \$0.50 per SQ FT per year with 15 year life</p> <p style="text-align: center;"><b>Waterproofing</b> (deck/patio/terrace) \$0.75 per SQ FT per year with 3-5 year</p> <p style="text-align: center;"><b>Slip Sheet Floor</b> \$13-\$15 per SQ FT per year with 12-15 year life</p> <p style="text-align: center;"><b>Tile Seal</b> \$0.63 per SQ FT per year with 3-5 year life</p> <p style="text-align: center;"><b>Tile Grout</b> \$0.38 per SQ FT per year with 5-7 year life</p>
Fountains	314		Fountains will cost anywhere from \$2,469 to \$43,750 depending on size, water flow and spray design. Fountain pumps typically last 5–6 years while the fountain itself will have a life of approximately 20 years.
Furniture & Equipment	311		<p style="text-align: center;"><b>Furnishings:</b> Cost ÷ 5 Years</p> <p style="text-align: center;"><b>Appliances:</b> Cost ÷ 10 Years</p> <p style="text-align: center;"><b>Equipment:</b> Cost ÷ 6 Years</p>
Garage Ventilation	313		\$375 for each parking level per year
Garbage/Refuse Disposal	209	Costs have averaged \$19 per unit per month. Individual cities may impose special requirements for recycling, etc. This should also be considered when determining the cost of this service.	

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Gas Energy	202	<p>Charges for natural gas can be approximated multiplying the estimated consumption in therms by the rate in which the subdivision is located. <b>Natural gas operation costs for hot water, pool heating, space heating, and solar heating are to be calculated into the Association budget. See Gas Consumption Worksheet of the RE623.</b></p> <p>Solar Heating (Pool &amp; Spa) - Price per SQ FT installed is in range of \$15-\$18. HOA sized pool heating systems cost in range of \$5,625-\$10,625.</p> <p style="text-align: center;">Solar Water Heating - \$1,250</p>	
Heating & Air Conditioning (HVAC)	212	<p>Combined heating and cooling units require regular servicing &amp; an allowance of \$32 per month should be considered for average recreation rooms. Larger installations may be on separate service contract &amp; budget allowance be provided to cover the contract price.</p> <p>Include operating expense for common area air conditioning and/or central heating. Refer to Gas Consumption Worksheet and/or Electrical Energy Consumption Worksheet of the RE623.</p>	
	308		<p>Forced air furnace (for average recreation room) \$188 average cost per year, 20 year life</p> <p>Forced air furnace with A/C (for avg. recreation room) \$313 average cost per year, 20 year life</p> <p style="text-align: center;">Heat Pump (used with central unit) \$188 per year</p> <p style="text-align: center;">Through wall A/C units \$125 average cost per year, 9 average year life</p> <p style="text-align: center;">Floor or wall furnaces \$94 average cost per year, 13 average year life</p> <p>The best method of setting up reserve costs for these items is to determine the cost of the equipment installed, and divide by the life indicated.</p>
Income Taxes	105	No Changes.	
Insurance	103	It is strongly recommended that a bid or reliable estimate be obtained from an insurance broker whenever possible. Before contacting an agent, it is important to read your governing documents to determine your insurance requirements.	
Lakes & Waterways	217	<p style="text-align: center;"><b>Small Lakes:</b> \$0.25-\$0.31 per SQ FT per year.</p> <p style="text-align: center;"><b>Large Lakes:</b> \$0.90-\$1.05 per SQ FT per year.</p> <p style="text-align: center;"><b>Pump:</b> \$31.00 per month per pump for maintenance</p>	
	313		Provide engineer's report for construction cost, yearly maintenance and reserve costs.
Landscaping	208	<p style="text-align: center;">In any case no less than \$219 per month.</p> <p>Golf Courses - Normal maintenance, not including over-seeding or flower planting, averages approximately \$0.88 per SQ FT per year.</p> <p>Areas consisting of 60%-70% grass &amp; 30%-40% shrubs, trees and flower beds. (If planting areas are broken up into a large # of small plots, the rate is likely to be higher than for maintenance of mass plantings.) Statewide - \$0.50-\$0.60 per SQ FT year.</p> <p>Areas with 90%-100% lawn sufficiently open to permit use of a large riding mower. Statewide-\$0.44-\$0.60 per SQ FT per year.</p> <p>Gentle slopes with low maintenance ground cover and/or drought tolerant plants. (Palm Springs-\$0.38-\$0.50 per SQ FT per year) (Southern CA-\$0.19-\$0.31 per SQ FT per year) (Northern CA-\$0.19-\$0.25 per SQ FT per year).</p>	

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Landscaping (cont.)	208	<p>Steep sites and/or slopes. Palm Springs—\$0.44–\$0.45 per SQ FT per year; Southern CA—\$0.31–\$0.44 per SQ FT per year; Northern CA—\$0.25–\$0.38 per SQ FT per year.</p> <p>Small natural areas &amp; irrigated fuel-modified zones: \$0.08–\$0.13 per SQ FT per year.</p> <p>Large natural areas &amp; non-irrigated fuel-modified zones: \$0.03–\$0.06 per SQ FT per year.</p> <p>Bridle Paths: \$0.06 per SQ FT per year.</p> <p>Parkways: \$0.60–\$0.63 per SQ FT per year.</p> <p>Pots/Planters: \$20 per pot/planter per year.</p>	
Landscaping (cont.)	313		Landscape Reserve - \$0.06 per SQ FT per year
Landscape Supplies	208A	Additional line item should be considered to cover cost of supplies, sprinkler repairs and landscape replacement. An amount of \$0.06 per SF per year for irrigated areas is a good preliminary number until the Association has some history of expenses in these areas.	
Legal Services	402	Projects less than 12 units, the figure of \$1,063 per year should be sufficient, and for projects more than 12 units, use the figure of \$1,875 per year or \$63 per unit per year, whichever is the larger amount.	
Local License and Inspection Fees	104	<b>Refer to Local Governing Bodies (Cities and Counties) for current inspection fees.</b>	
Management	401	<p>An association electing to contract with a management firm that offers a higher level of fiscal service, or financial service including billing, collection, payment of invoices, preparation of financial statements and fiscal compliance to California Civil Codes should budget \$17 per unit per month or \$1,625 per month, whichever is greater.</p> <p>Small Associations - with less than 12 units self-managed \$13 per unit per month or \$188 per month, whichever is greater.</p> <p>Fiscal billing and collection activities (other than delinquency collection) - \$13 per unit per month or \$438 per month, whichever is greater.</p> <p>Financial service - including billing, collection, payment of invoices, preparation of financial statements, and fiscal compliance to California Civil Codes \$13 per unit per month or \$850 per month, whichever is greater.</p> <p>Administrative and compliance program - Includes financial services, administrative duties, and compliance to regulations and California Civil Codes. \$22 per unit per month or \$2,375 per month, whichever is greater.</p> <p>Full-service management program - Includes financial services, administrative program, as well as defined management activities involving the creation and implementation of plans for the maintenance of physical amenities—Larger HOAs \$25–\$38 per unit per month or \$5,000 per month, whichever is greater.</p>	



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<b>Management (cont.)</b>	<b>401</b>	<p>Full-service management program by full-time association employee - Large associations \$5,250 or more (depending on size) a month per manager plus 35% for payroll costs and benefits.</p> <p>Mid-Rise Condominiums (30–60 feet high) - Base fee of \$4,375 monthly or \$31.25–\$43.75 per unit per month, whichever is greater.</p> <p>High-Rise Condominiums (over 70 feet) - Base fee of \$5,625 monthly or \$44–\$63 per unit per month, whichever is greater.</p> <p>Detached Units Master Planned Communities - Base fee of \$3,125 monthly or \$18.75–\$25 per unit per month, whichever is greater.</p> <p>Planned Developments - Base fee of \$3,125 or \$19–\$25 per unit per month, whichever is greater.</p>	
<b>Miscellaneous</b>	<b>313</b>		<p style="text-align: center;"><b>Sump Pumps</b> - \$75 per year</p> <p style="text-align: center;"><b>Sewer Lifts</b> (Pumps; 10 year life) - \$313 per year</p> <p style="text-align: center;"><b>Garage ventilation systems</b> (each parking level) - \$375 per year</p> <p style="text-align: center;"><b>Solar systems</b> (also see Gas &amp; Pools) - Total Cost ÷ 15-20 year life</p> <p style="text-align: center;"><b>Raquetball Courts</b> - \$300 per year</p> <p><b>Lakes/Waterways</b> - Provide engineer's report for construction cost, yearly maintenance and reserve costs.</p> <p style="text-align: center;"><b>Motorized Gates</b>                      \$345 (repair/replacement; 15-year life – large double gates, \$625 per year)                      Gate Operator \$225 per year (all types - 5 year life)                      Total per gate - \$ 570 per year                      Loop Detector \$188-\$250 per year (3-5 year life)</p> <p style="text-align: center;"><b>Wallpaper</b> (10 Year Life) - \$0.24 per SQ FT per year</p> <p style="text-align: center;"><b>Tree Trimming</b> - Small to Mature Trees - \$56 to \$119 per tree per year</p> <p style="text-align: center;"><b>Landscape Reserve</b> - \$0.06 per SQ FT per year</p> <p style="text-align: center;"><b>Septic Tank</b> - \$94 per living unit per year</p> <p style="text-align: center;"><b>Emergency Power Systems</b> - Typically \$188 each, 9 year life</p>
<b>Miscellaneous Maintenance</b>	<b>217</b>	<p style="text-align: center;">With association maintained exteriors - \$6 per unit per month</p> <p style="text-align: center;">Without association maintained exteriors - \$1 per unit per month</p> <p style="text-align: center;">Condominium conversions with exterior maintenance - \$9 per unit per month</p>	



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Item	OCM Line Item #	Fixed/Operating/Administrative Cost	Reserve Cost
Miscellaneous Maintenance (cont.)	217	<p style="text-align: center;">High-Rise Projects (over six stories) - \$15 per unit per month</p> <p><b>Pest Control</b> - The average cost for pest control service is ordinarily \$3 per unit per month or \$38 per month, whichever is the higher cost. Allow \$94-\$188 per month for irrigated slopes.</p> <p><b>Lakes/Waterways</b> - The average cost to maintain small lakes and waterways range from \$0.25-\$0.31 per SQ FT per year with waterways at the high end of the range. Cost to maintain large lakes (10-13 acres) ranges from \$0.90-\$1.05 per SQ FT per year. Add to this cost \$32 per pump per month for pump maintenance.</p> <p><b>Snow Removal</b> - Costs should be based on an average year's snowfall. When snow removal is to be contracted, estimates/bids should be obtained from local contractors. Average cost is approximately \$0.25 per SQ FT per year.</p> <p><b>Community Network</b> - Many developers and builders are installing highspeed cable systems in their homes with the idea of providing community intranet or a website. Costs associated with this technology can run from \$8,000 per year to \$200,000 per year depending on the level of sophistication of the system and the site. High speed cable system \$10,000-\$250,000. Cost may be higher depending on the level of sophistication of the system and the site. Service provider fee \$44-\$94 per unit per month. \$375-\$625 per month for a regularly updated Association website. Actual contracts should be used to support cost used in the budget whenever possible.</p> <p><b>Maintenance Manual Inspections</b> - The independent annual inspection is typically provided by an inspection expert or the maintenance manual company and will cost from \$625-\$3,750 per year, depending on the size and complexity of the project.</p>	
Painting	301		<p style="text-align: center;"><b>Stucco</b> - \$2.18 per SQ FT or \$0.31 per SQ FT per year (10 year cycle)</p> <p style="text-align: center;"><b>Wood Trim</b> - \$0.38 per SQ FT per year (5 year cycle)</p> <p style="text-align: center;"><b>Wood Siding</b> - \$0.50 per SQ FT per year (7 year cycle)</p> <p><b>Wood Decks, Porches, Covered or Latticed Patios</b> - Since this type of work is more labor intensive, similar items requiring stain instead of paint should also use the higher factor, if applicable.</p> <p style="text-align: center;">For high-rise projects, it is highly recommended that multiple estimates be obtained.</p>
Pest Control	217	<p><b>Pest Control</b> - The average cost for pest control service is ordinarily \$3 per unit per month or \$38 per month, whichever is the higher cost. Allow \$94-\$188 per month for irrigated slopes.</p>	
Property Taxes	101	<p style="text-align: center;"><b>No Changes.</b></p>	
Reserve Study	216	<p>Reserve study costs generally fall within \$1,250-\$9,375 or \$438-\$3,125 per year. Depending on the size of the community and amenities included, it may go higher. Updates can be as minimal as \$625 per study. Larger communities with multiple and complex components require a more detailed study.</p>	
Roofing	302		<p style="text-align: center;"><b>Concrete Tile</b> - \$0.24 SQ FT per year (35 year life)</p> <p style="text-align: center;"><b>Built-up Paper/Rock</b> - \$0.44 per SQ FT per year (14 year life)</p>

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Roofing (cont.)	302		<p><b>Asphalt/Composition Shingles</b> - \$0.38 per SQ FT per year (20 year life)</p> <p><b>Wood Shake</b> - \$0.31 per SQ FT per year (24 year life)</p> <p><b>Wood Shingles</b> - \$0.31 per SQ FT per year (22 year life)</p> <p><b>Fiberglass Shingles</b> - \$0.31 per SQ FT per year (20 year life)</p>
Sewer	204	<p><b>Pumping Septic Tanks</b> - \$313-\$438 per year</p> <p><b>Emergency Services</b> - \$38 per unit per year</p> <p><b>Septic Tanks w/Problematic Issues</b> - \$38-\$50 per year</p> <p><b>Storm Drains/Water Retention Basins:</b> Proper maintenance and reserve costs should be allocated for these items, as well as the cost to replace the filters based on local agencies' maintenance and/or manufacturer's requirements.</p>	
Swimming Pools & Spas	309		<p><b>Pool Re-plaster</b> - \$1,000 average yearly cost (10 year life)</p> <p><b>Pool Heater</b> - \$688 average yearly cost (10 year life)</p> <p><b>Pool Filter</b> - \$220 average yearly cost (10 year life)</p> <p><b>Spa Re-plaster</b> - \$438 average yearly cost (7 year life)</p> <p><b>Spa Heater</b> - \$375 average yearly cost (8 year life)</p> <p><b>Spa Filter</b> - \$313 average yearly cost (10 year life)</p> <p><b>Pool/Spa Pumps</b> - \$188 average yearly cost (5 year life)</p> <p><b>Elastomeric Caulking</b> - \$6.25 per LF average yearly cost (5 year life)</p>
	213	<p>Include operating expenses for pool/spa electrical motors and gas heating. Refer to Gas Consumption Worksheet and/or Electrical Energy Consumption Worksheet of the RE623.</p> <p>Weekly Service: Cost for professional pool service varies with size and location. The average charge for a pool is \$57 per call. If a spa is included, the charge is \$75 per call. Pool only - \$250 per month; Spa only - \$157 per month; Pool &amp; spa - \$407 per month.</p>	
Swimming Pool & Spa Supplies	213A	An additional line item should be considered to cover the cost of supplies. It is recommended to allocate 20%–30% of the monthly contract amount.	
Tennis Courts	214	Maintenance and Operation (Asphalt or Concrete): Sweeping (1 hr weekly at \$13 per hr) = \$50 per month; Refuse Pickup (10 mins. per day at \$13 per hr) = \$63 per month - Total = \$113 per month; Night Lighting Energy Cost, use worksheet. Sweeping and refuse pickup may be included in the landscaping contract.	
	310		<p><b>Net Replacement (3 years)</b> - \$205-\$438 per year</p> <p><b>Wind Screen (Full Court; 5 years)</b> - \$3 per SQ FT per year</p> <p><b>Asphalt Resurfacing (4–7 years)</b> - \$2.80 per SQ FT per year</p> <p><b>Concrete Resurfacing (5 years)</b> - \$5.50 per SQ FT per year</p> <p><b>Light Fxtures</b> - \$250 per year per fixture</p> <p><b>Elastomeric Caulking (4-6 years)</b> - \$6 per LF per year</p>

## Operating Cost Manual Addendum

Item	OCM Line Item #	Fixed/Operating/Administrative Cost	Reserve Cost
Tree Trimming	313		Small to Mature Trees - \$56 to \$119 per tree per year
Water Heating	303		<p><b>Water Heater: 40 gallon Capacity</b> - \$112 per year (9-12 year average life)</p> <p><b>Water Heater: 70-80 gallon Capacity</b> - \$188 per year (9-12 year average life)</p> <p><b>Water Heater: 100 Gallon, Quick Recovery</b> - \$375 per year (9-12 year average life)</p> <p><b>Boiler:</b> - \$375 per year (20 year life)</p> <p><b>Tankless Water Heaters:</b> Replacement cost ÷ Useful life.</p> <p><b>Circulating Pumps: Quick Recovery/Boilers</b> - 1 Inch Line Size \$56; 2 Inch Line Size \$81; 3 Inch Line Size \$131. All have 7 year average life.</p>
Water	203	See Water and Sewer Worksheet of the RE623.	
		Water Submetering: Common water expense must be included under Item #203 of the budget before it can be listed as a revenue offset. \$3 per unit per year plus \$125 for inspections. Meter reading \$5-10 per unit per month with minimum of \$219-\$313 per month.	Submeters cost \$375 each. Replacement by new certified meters need to be done every 10 years. Other equipment may include batteries and computerized reading equipment with signal repeaters.

**Additional Operating Cost Manual (OCM) Line Items**

Line Item	Item #	Item Description
<b>Car Lifts &amp; Parking Systems</b>	217 Miscellaneous Maintenance	System allows multiple cars to utilize a single parking space. Aides with vehicle storage and parking management. Bids/Proposal for Maintenance and Reserves costs should be provided and included in the budget.
<b>Electric Vehicle Charging Stations</b>	217 Miscellaneous Maintenance	If system will be leased, Association maintained, the maintenance contracted out or a specific owner will maintain it.
<b>Exterior Elevated Elements</b>	217 Miscellaneous Maintenance	The inspection cost can be included in either 217 Miscellaneous Maintenance or in 300 Reserves. The inspection must be conducted by a licensed structural engineer, civil engineer, or architect and estimates for the cost of the inspection should be submitted for DBP review. A provision regarding the inspection and maintenance requirements in compliance with Civil Code Section 5551 should also be included in the Declaration.
	300 Reserves	
<b>Parcel Lockers</b>	217 Miscellaneous Maintenance	In addition to the regular parcel box with key, smart parcel boxes with touch screen and scanning capabilities. The prices can vary depending on the number/size of lockers.
<b>Play Structures/Tot lot</b>	217 Miscellaneous Maintenance	While component is commonly seen, the maintenance and reserves costs are not addressed in the OCM. Tot lots are only mentioned under Local Inspection and License Fees (104). There is a wide range for the cost of these as well.
		Fiber Play Surface - Playground engineered from natural wood which provides very high level of cushioning and impact absorption. Less expensive and safer for environment. Range \$2 to \$3 per SQ FT.
<b>Rain Gutters/Down Spouts</b>	217 Miscellaneous Maintenance	Operating - Annual Cleaning
	302 Roofing	Reserves - Replacement Costs
<b>Sewer Lines</b>	217 Miscellaneous Maintenance	Should be included in Reserve Worksheet. Although per Civil Code for items for over 30 year life may not be considered initially for budget. Board should revisit these line items for incorporation into Association Budget on an annual basis as it is typical for costs to increase as the project ages.
<b>Soil Vapor Mitigation Systems</b>	217 Miscellaneous Maintenance	Helps reduce the health risks associated with chemical vapors from soil and groundwater. Costs range from \$4,000-\$7,000 a year. Bids/Proposals can be broken down to cost per square foot. There are 2 types: Active and Passive. Ongoing maintenance and reserve cost of system should be included in the budget. Maintenance addressed by Agreement or included in the Declaration (Supplement).
<b>Synthetic Grass / Artificial Turf</b>	211 Sweeping	Clearing of debris, leaves, weeds. Cleaning of stains and pet waste. Periodic brushing is required.
	300 Reserves	Typically lasts for 10 years. High traffic areas may require replacement patching. Warranty is mostly for defects.