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Update "With-Site-Visit" Reserve Study

Pinehurst at Waldenwood HOA

Everett, WA

Report #: 18664-1
For Period Beginning: January 1, 2014
Expires: December 31, 2014

Date Prepared: December 23, 2013

SUSAN OORD
CAI-RS
00191
DESIGNATION
RESERVE SPECIALIST

Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

With respect to Reserves, this Report will tell you "where you are", and "where to go from here".

In this Report, you will find…

1) A List of What you're Reserving For

2) An Evaluation of your Reserve Fund Size and Strength

3) A Recommended Multi-Year Reserve Funding Plan

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

253.661.5437

ASSOCIATION RESERVES
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Table of Contents

3- Minute Executive Summary

Association: Pinehurst at Waldenwood HOA **Assoc. #: 18664-1**
Location: Everett, WA
# of Units: 246
Report Period: January 1, 2014 through December 31, 2014

Results as-of 1/1/2014:

Projected Starting Reserve Balance:	**$84,300**
Fully Funded Reserve Balance:	**$109,217**
Average Reserve Deficit (Surplus) Per Unit:	**$101**
Percent Funded:	**77.2%**
100% Full Funding 2014 Monthly Reserve Contribution:	**$1,010**
70% Threshold Monthly Reserve Contribution:	**$910**
Baseline Contribution (min to maintain reserves above $0)	**$710**
Reimbursement to Reserves 2014 & 15 per Association Plans:	**$4,100***

Most Recent Reserve Contribution Rate (2013): $950

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" Reserve Study, based on a prior Report prepared by Association Reserves for your 2009 Fiscal Year. The information in this Reserve Study is based on our site inspection on November 22, 2013 and meets or exceeds all requirements of the RCW. This Reserve Study was prepared by a credentialed Reserve Specialist (RS).**

- **Your Reserve Fund is 77.2% Funded. Comparatively, the 70-130% level is where associations statistically enjoy fiscal stability with low risk of special assessment and/or deferred maintenance.**

- **Based on this starting point and your anticipated future expenses, our recommendation is to maintain your Reserve contributions within the 70% to 100% Full Funding level as noted above (Tables and charts herein reflect Full Funding as recommended contribution). Full and 70% contribution rates are designed to achieve the stated funding objective by the end of our 30-year report scope. See photo pages for detailed component information and the basis of our assumptions.**

Table 1: Executive Summary				18664-1
# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
201 Asphalt - Resurface/Overlay	25	10	$15,100	$20,293
403 Mailboxes – Replace/Repair	25	10	$27,000	$36,286
505 Wood Fence - Repair/Replace	20	6	$32,500	$38,807
506 Wood Fence – Clean/Stain (Paint)	5	1	$6,650	$6,850
510 Split Rail Fence - Replace	15	2	$1,550	$1,644
1175 Chain Link Fence - Replace	30	15	$20,700	$32,250
1400 Play Equipment - Replace	20	10	$30,000	$40,317
1401 Benches/Picnic Sets - Repair/Replc	20	5	$5,600	$6,492
1405 Court - Resurface/Overlay	25	10	$3,600	$4,838
1420 Entry Sign/Monuments - Refurbish	25	5	$6,000	$6,956
1430 Monument Lighting - Repair/Replace	15	1	$2,000	$2,060
1450 Wood Trellis - Repair/Replace	18	3	$6,500	$7,103
1500 Landscape - Refurbish	5	1	$5,000	$5,150
1875 Retention Ponds - Clean/Maintain	8	4	$10,500	$11,818
1890 Trees - Trim/Remove	5	4	$7,500	$8,441
15 Total Funded Components				

Note: Cross reference component numbers with photographic inventory appendix. A reserve-funding threshold of 1% of the total annual operating expenses is typical; expenses below this level best factored within the operating budget.

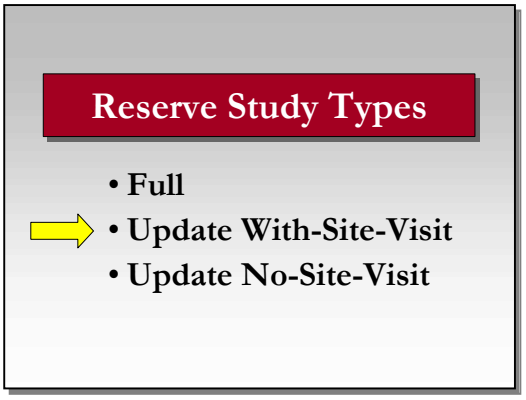
Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the association is obligated to maintain. Based on that List and your starting balance we computed the association's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing common area deterioration.

Methodology



First we establish what the projected expenses are, then we determine the association's financial status and create a Funding Plan. For this "Update With-Site-Visit" Reserve Study, we started with a review of your prior Reserve Study, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.

Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a "surprise" which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include "lifetime" components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

Reserve Components

- **Common Area**
- **Limited Useful Life**
- **Predictable Life Limit**
- **Cost must be Significant**

How are Useful Life and Remaining Useful Life established?

1) Visual Inspection (observed wear and age since last report)
2) Association Reserves database of experience
3) Client Component History
4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order…

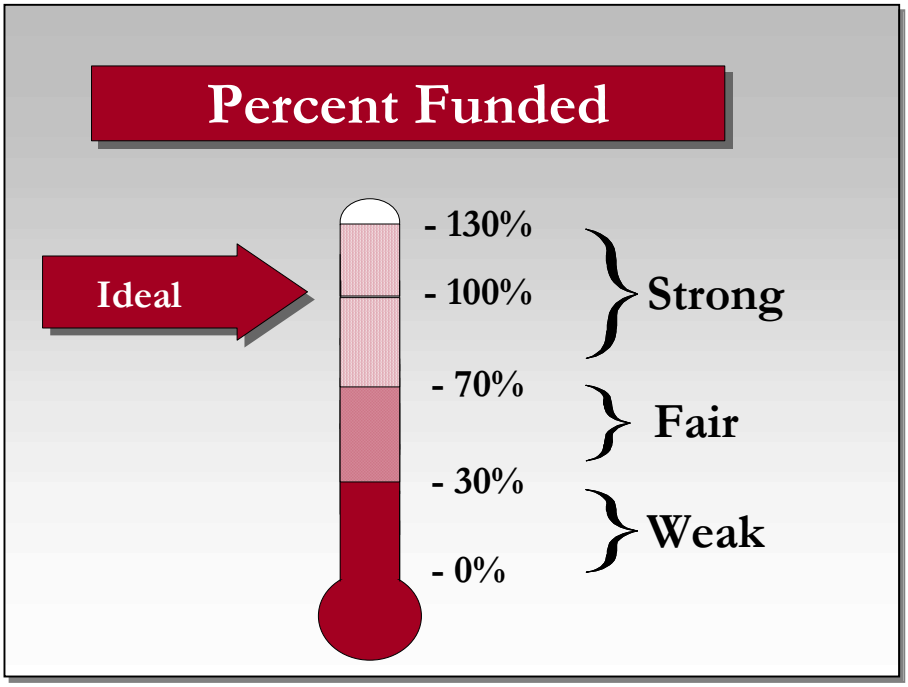
1) Client Cost History
2) Comparison to Association Reserves database of work done at similar associations
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

1) Calculate the association's Fully Funded Balance (FFB).
2) Compare to the Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the association increase, but shrinks when projects are accomplished and the Reserve needs of the association decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



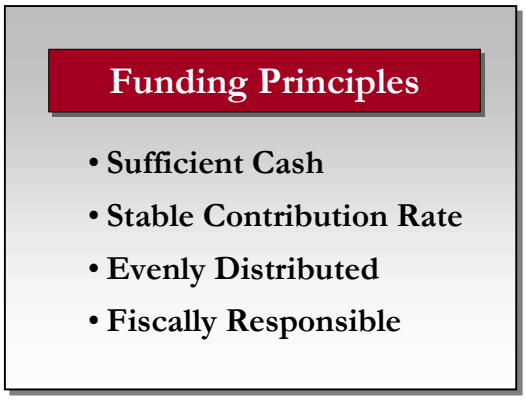
Special assessments and deferred maintenance are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their "fair share" of the association's Reserve expenses (this means we recommend special assessments only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and "safe" for Boardmembers to recommend to their association.

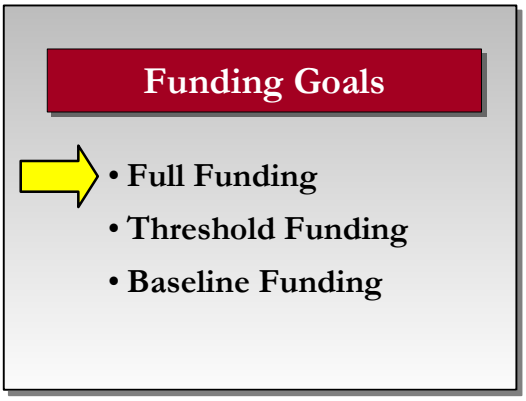


What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called "Full Funding" the Reserves (100% Funded). As each asset ages and becomes "used up", the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, associations in the 100% range rarely experience special assessments or deferred maintenance.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these associations, deterioration occurs without matching Reserve contributions. With a low Percent Funded, special assessments and deferred maintenance are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

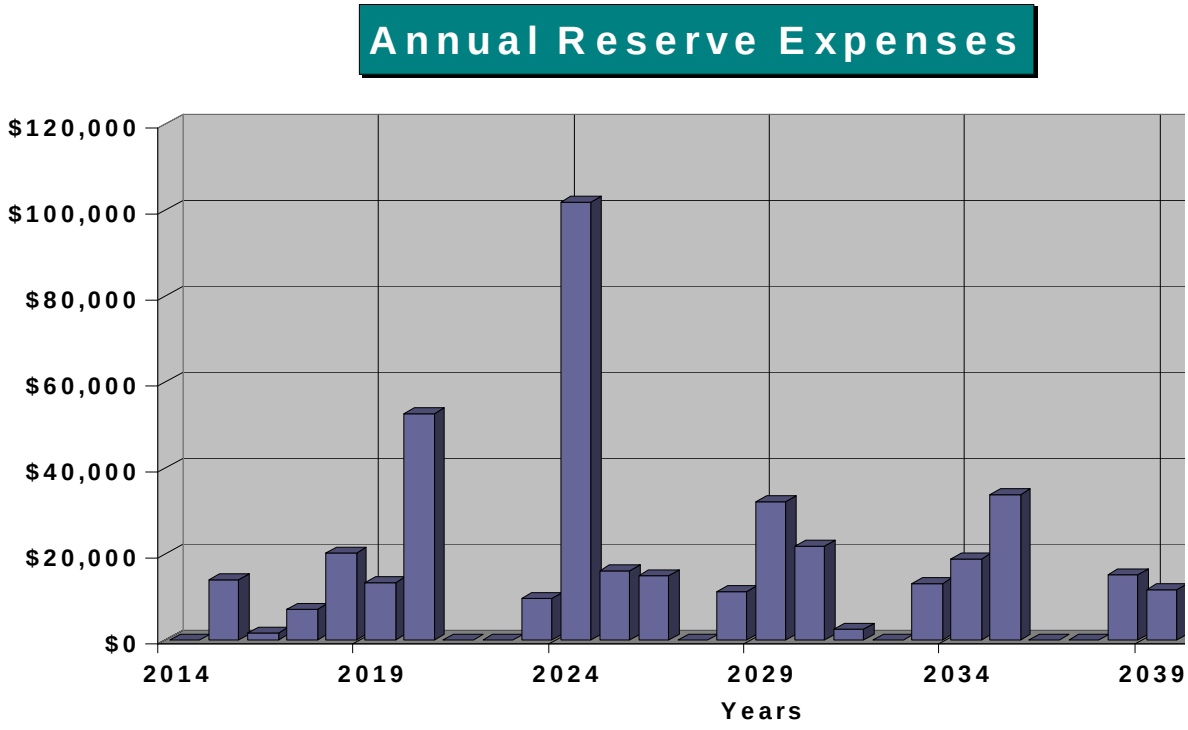


Site Inspection Notes

During our site visit on November 22, 2013, we visually inspected all the common areas of responsibility and were able to see most area. We also had follow-up contact with some key board members and Association Management. We discussed past projects, current concerns and future plans. We were also informed which items are typically being handled from the Operational maintenance budget, not Reserves.

Projected Expenses

The figure below shows the array of the projected future expenses at your association. This figure clearly shows the near term and future expenses that your association will face.



ure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $84,300 as-of the start of your Fiscal Year on January 1, 2014. This is based on your actual balance on 09/30/2013 of $84,134 and anticipated Reserve contributions and expenses projected through the end of your Fiscal Year. As of January 1, 2014, your Fully Funded Balance is computed to be $109,217 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 77% Funded; this represents a strong status.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of $1,010/month this Fiscal Year in addition to an in-place payback to reserves of $4,100. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

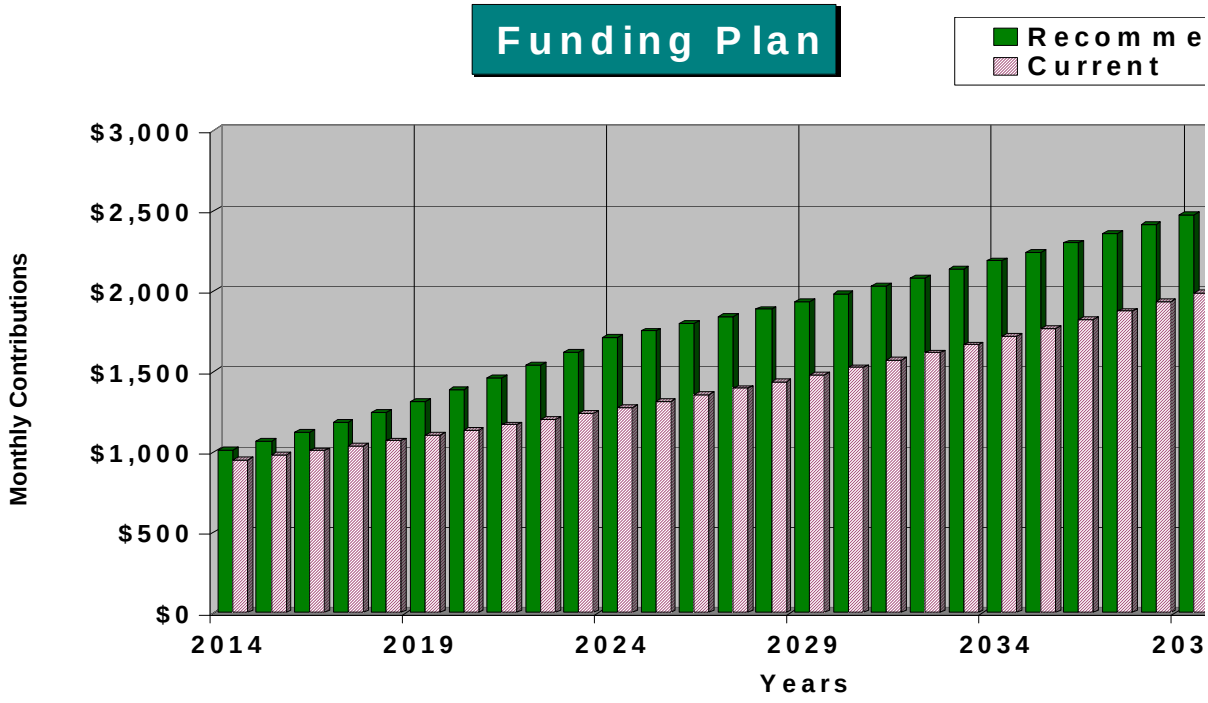


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

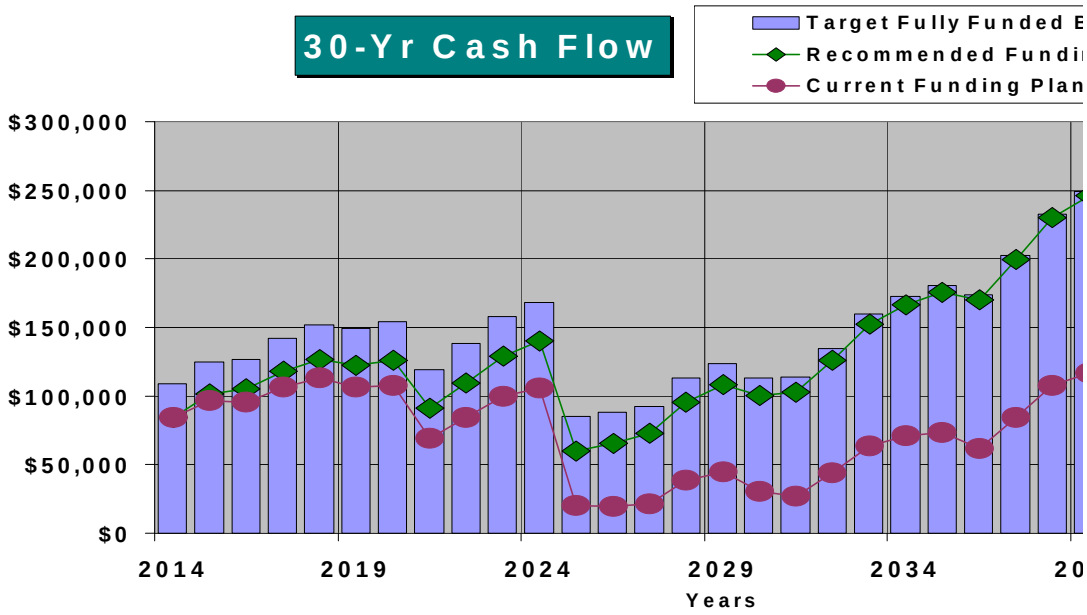


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

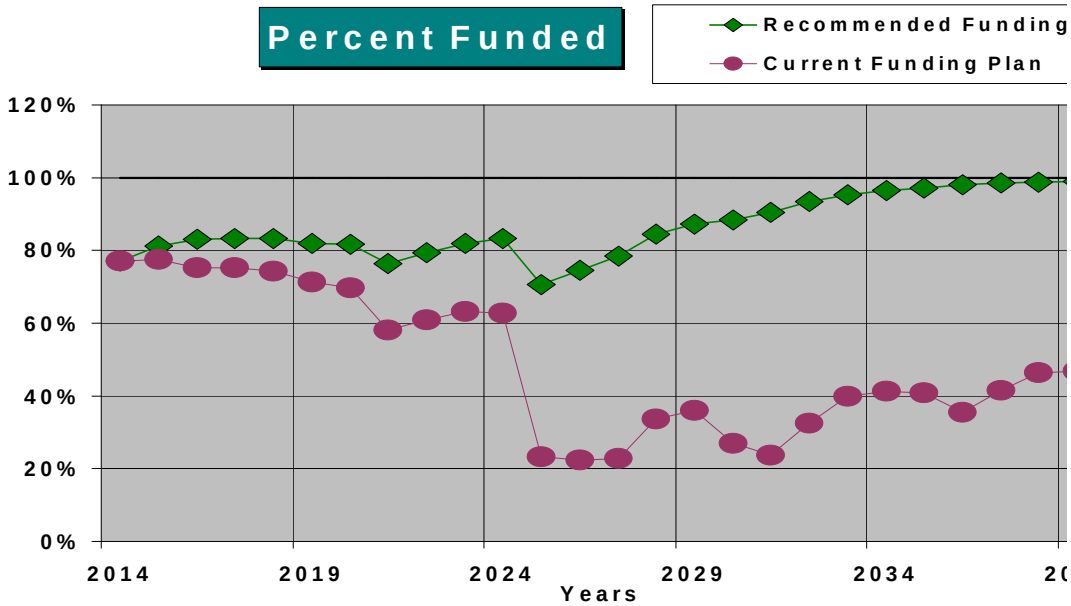


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary page. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the association as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the association is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the association's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the association (current cost divided by useful life). This presentation is not meant to cause clients to redistribute association funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the association, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail 18664-1

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
201	Asphalt - Resurface/Overlay	Approx 6,700 GSF	25	10	$13,400	$16,800
403	Mailboxes - Replace/Repair	(18) metal cluster units	25	10	$23,400	$30,600
505	Wood Fence - Repair/Replace	~1,300 LF, 6' board	20	6	$28,600	$36,400
506	Wood Fence - Clean/Stain (Paint)	~7,800 GSF	5	1	$5,500	$7,800
510	Split Rail Fence - Replace	Approx 80 LF wood	15	2	$1,300	$1,800
1175	Chain Link Fence - Replace	~900 LF, vinyl coated	30	15	$18,000	$23,400
1400	Play Equipment - Replace	Assorted pieces	20	10	$25,000	$35,000
1401	Benches/Picnic Sets - Repair/Replc	(4) bench, (4) picnic	20	5	$4,400	$6,800
1405	Court - Resurface/Overlay	~1,600 GSF, asphalt	25	10	$3,200	$4,000
1420	Entry Sign/Monuments - Refurbish	7' granite slab, (6) clmn	25	5	$5,000	$7,000
1430	Monument Lighting - Repair/Replace	Ground, assorted	15	1	$1,500	$2,500
1450	Wood Trellis - Repair/Replace	~40 LF	18	3	$5,000	$8,000
1500	Landscape - Refurbish	Shrubs, grass, etc.	5	1	$4,000	$6,000
1875	Retention Ponds - Clean/Maintain	(3) ponds	8	4	$6,000	$15,000
1890	Trees - Trim/Remove	Extensive, assorted	5	4	$5,000	$10,000
15	Total Funded Components					

Table 3: Contribution and Fund Breakdown 18664-1

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
201	Asphalt - Resurface/Overlay	25	10	$15,100	$9,060	$9,060.00	$51.27
403	Mailboxes - Replace/Repair	25	10	$27,000	$16,200	$3,793.33	$91.68
505	Wood Fence - Repair/Replace	20	6	$32,500	$22,750	$22,750.00	$137.94
506	Wood Fence - Clean/Stain (Paint)	5	1	$6,650	$5,320	$5,320.00	$112.90
510	Split Rail Fence - Replace	15	2	$1,550	$1,343	$1,343.33	$8.77
1175	Chain Link Fence - Replace	30	15	$20,700	$10,350	$0.00	$58.57
1400	Play Equipment - Replace	20	10	$30,000	$15,000	$15,000.00	$127.33
1401	Benches/Picnic Sets - Repair/Replc	20	5	$5,600	$4,200	$4,200.00	$23.77
1405	Court - Resurface/Overlay	25	10	$3,600	$2,160	$0.00	$12.22
1420	Entry Sign/Monuments - Refurbish	25	5	$6,000	$4,800	$4,800.00	$20.37
1430	Monument Lighting - Repair/Replace	15	1	$2,000	$1,867	$1,866.67	$11.32
1450	Wood Trellis - Repair/Replace	18	3	$6,500	$5,417	$5,416.67	$30.65
1500	Landscape - Refurbish	5	1	$5,000	$4,000	$4,000.00	$84.89
1875	Retention Ponds - Clean/Maintain	8	4	$10,500	$5,250	$5,250.00	$111.41
1890	Trees - Trim/Remove	5	4	$7,500	$1,500	$1,500.00	$127.33
15	Total Funded Components				$109,217	$84,300	$1,010

Table 4: 30-Year Reserve Plan Summary 18664-1

Fiscal Year Beginning: 01/01/14 | **Interest: 1.0%** | **Inflation: 3.0%**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribs.	Reimburse to Reserves	Interest Income	Projected Reserve Expenses
2014	$84,300	$109,217	77.2%	Strong	$12,125	$4,100	$928	$0
2015	$101,453	$124,754	81.3%	Strong	$12,780	$4,100	$1,033	$14,060
2016	$105,307	$126,643	83.2%	Strong	$13,470	$0	$1,117	$1,644
2017	$118,250	$141,756	83.4%	Strong	$14,197	$0	$1,224	$7,103
2018	$126,568	$152,090	83.2%	Strong	$14,964	$0	$1,245	$20,259
2019	$122,518	$149,585	81.9%	Strong	$15,772	$0	$1,242	$13,448
2020	$126,085	$154,434	81.6%	Strong	$16,624	$0	$1,085	$52,717
2021	$91,076	$119,408	76.3%	Strong	$17,521	$0	$1,003	$0
2022	$109,600	$138,069	79.4%	Strong	$18,467	$0	$1,194	$0
2023	$129,262	$157,742	81.9%	Strong	$19,465	$0	$1,347	$9,786
2024	$140,288	$168,392	83.3%	Strong	$20,516	$0	$1,001	$101,734
2025	$60,071	$85,134	70.6%	Strong	$21,029	$0	$628	$16,126
2026	$65,601	$88,049	74.5%	Strong	$21,554	$0	$692	$14,970
2027	$72,877	$92,752	78.6%	Strong	$22,093	$0	$843	$0
2028	$95,814	$113,539	84.4%	Strong	$22,646	$0	$1,019	$11,344
2029	$108,134	$123,805	87.3%	Strong	$23,212	$0	$1,041	$32,250
2030	$100,137	$113,403	88.3%	Strong	$23,792	$0	$1,015	$21,904
2031	$103,040	$113,918	90.5%	Strong	$24,387	$0	$1,145	$2,562
2032	$126,010	$134,962	93.4%	Strong	$24,997	$0	$1,391	$0
2033	$152,398	$159,883	95.3%	Strong	$25,621	$0	$1,594	$13,151
2034	$166,462	$172,632	96.4%	Strong	$26,262	$0	$1,709	$18,964
2035	$175,469	$180,422	97.3%	Strong	$26,919	$0	$1,728	$33,764
2036	$170,351	$173,865	98.0%	Strong	$27,592	$0	$1,850	$0
2037	$199,793	$202,573	98.6%	Strong	$28,281	$0	$2,149	$0
2038	$230,223	$232,847	98.9%	Strong	$28,988	$0	$2,382	$15,246
2039	$246,347	$249,052	98.9%	Strong	$29,713	$0	$2,565	$11,725
2040	$266,900	$270,117	98.8%	Strong	$30,456	$0	$2,356	$95,214
2041	$204,499	$206,591	99.0%	Strong	$31,217	$0	$2,211	$0
2042	$237,927	$240,023	99.1%	Strong	$31,998	$0	$2,430	$24,023
2043	$248,332	$250,531	99.1%	Strong	$32,798	$0	$2,571	$17,674

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4) 18664-1

	Fiscal Year	2014	2015	2016	2017	2018
	Starting Reserve Balance	$84,300	$101,453	$105,307	$118,250	$126,568
	Annual Reserve Contribution	$12,125	$12,780	$13,470	$14,197	$14,964
	Planned Special Assessments	$4,100	$4,100	$0	$0	$0
	Interest Earnings	$928	$1,033	$1,117	$1,224	$1,245
	Total Income	$101,453	$119,367	$119,894	$133,671	$142,777
#	Component					
201	Asphalt - Resurface/Overlay	$0	$0	$0	$0	$0
403	Mailboxes - Replace/Repair	$0	$0	$0	$0	$0
505	Wood Fence - Repair/Replace	$0	$0	$0	$0	$0
506	Wood Fence - Clean/Stain (Paint)	$0	$6,850	$0	$0	$0
510	Split Rail Fence - Replace	$0	$0	$1,644	$0	$0
1175	Chain Link Fence - Replace	$0	$0	$0	$0	$0
1400	Play Equipment - Replace	$0	$0	$0	$0	$0
1401	Benches/Picnic Sets - Repair/Replc	$0	$0	$0	$0	$0
1405	Court - Resurface/Overlay	$0	$0	$0	$0	$0
1420	Entry Sign/Monuments - Refurbish	$0	$0	$0	$0	$0
1430	Monument Lighting - Repair/Replace	$0	$2,060	$0	$0	$0
1450	Wood Trellis - Repair/Replace	$0	$0	$0	$7,103	$0
1500	Landscape - Refurbish	$0	$5,150	$0	$0	$0
1875	Retention Ponds - Clean/Maintain	$0	$0	$0	$0	$11,818
1890	Trees - Trim/Remove	$0	$0	$0	$0	$8,441
	Total Expenses	$0	$14,060	$1,644	$7,103	$20,259
	Ending Reserve Balance:	$101,453	$105,307	$118,250	$126,568	$122,518

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9) 18664-1

	Fiscal Year	2019	2020	2021	2022	2023
	Starting Reserve Balance	$122,518	$126,085	$91,076	$109,600	$129,262
	Annual Reserve Contribution	$15,772	$16,624	$17,521	$18,467	$19,465
	Planned Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$1,242	$1,085	$1,003	$1,194	$1,347
	Total Income	$139,532	$143,794	$109,600	$129,262	$150,074
#	Component					
201	Asphalt - Resurface/Overlay	$0	$0	$0	$0	$0
403	Mailboxes - Replace/Repair	$0	$0	$0	$0	$0
505	Wood Fence - Repair/Replace	$0	$38,807	$0	$0	$0
506	Wood Fence - Clean/Stain (Paint)	$0	$7,940	$0	$0	$0
510	Split Rail Fence - Replace	$0	$0	$0	$0	$0
1175	Chain Link Fence - Replace	$0	$0	$0	$0	$0
1400	Play Equipment - Replace	$0	$0	$0	$0	$0
1401	Benches/Picnic Sets - Repair/Replc	$6,492	$0	$0	$0	$0
1405	Court - Resurface/Overlay	$0	$0	$0	$0	$0
1420	Entry Sign/Monuments - Refurbish	$6,956	$0	$0	$0	$0
1430	Monument Lighting - Repair/Replace	$0	$0	$0	$0	$0
1450	Wood Trellis - Repair/Replace	$0	$0	$0	$0	$0
1500	Landscape - Refurbish	$0	$5,970	$0	$0	$0
1875	Retention Ponds - Clean/Maintain	$0	$0	$0	$0	$0
1890	Trees - Trim/Remove	$0	$0	$0	$0	$9,786
	Total Expenses	$13,448	$52,717	$0	$0	$9,786
	Ending Reserve Balance:	$126,085	$91,076	$109,600	$129,262	$140,288

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14) 18664-1

	Fiscal Year	2024	2025	2026	2027	2028
	Starting Reserve Balance	$140,288	$60,071	$65,601	$72,877	$95,814
	Annual Reserve Contribution	$20,516	$21,029	$21,554	$22,093	$22,646
	Planned Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$1,001	$628	$692	$843	$1,019
	Total Income	$161,805	$81,727	$87,848	$95,814	$119,479
#	Component					
201	Asphalt - Resurface/Overlay	$20,293	$0	$0	$0	$0
403	Mailboxes - Replace/Repair	$36,286	$0	$0	$0	$0
505	Wood Fence - Repair/Replace	$0	$0	$0	$0	$0
506	Wood Fence - Clean/Stain (Paint)	$0	$9,205	$0	$0	$0
510	Split Rail Fence - Replace	$0	$0	$0	$0	$0
1175	Chain Link Fence - Replace	$0	$0	$0	$0	$0
1400	Play Equipment - Replace	$40,317	$0	$0	$0	$0
1401	Benches/Picnic Sets - Repair/Replc	$0	$0	$0	$0	$0
1405	Court - Resurface/Overlay	$4,838	$0	$0	$0	$0
1420	Entry Sign/Monuments - Refurbish	$0	$0	$0	$0	$0
1430	Monument Lighting - Repair/Replace	$0	$0	$0	$0	$0
1450	Wood Trellis - Repair/Replace	$0	$0	$0	$0	$0
1500	Landscape - Refurbish	$0	$6,921	$0	$0	$0
1875	Retention Ponds - Clean/Maintain	$0	$0	$14,970	$0	$0
1890	Trees - Trim/Remove	$0	$0	$0	$0	$11,344
	Total Expenses	$101,734	$16,126	$14,970	$0	$11,344
	Ending Reserve Balance:	$60,071	$65,601	$72,877	$95,814	$108,134

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19) 18664-1

	Fiscal Year	2029	2030	2031	2032	2033
	Starting Reserve Balance	$108,134	$100,137	$103,040	$126,010	$152,398
	Annual Reserve Contribution	$23,212	$23,792	$24,387	$24,997	$25,621
	Planned Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$1,041	$1,015	$1,145	$1,391	$1,594
	Total Income	$132,387	$124,944	$128,572	$152,398	$179,613
#	Component					
201	Asphalt - Resurface/Overlay	$0	$0	$0	$0	$0
403	Mailboxes - Replace/Repair	$0	$0	$0	$0	$0
505	Wood Fence - Repair/Replace	$0	$0	$0	$0	$0
506	Wood Fence - Clean/Stain (Paint)	$0	$10,671	$0	$0	$0
510	Split Rail Fence - Replace	$0	$0	$2,562	$0	$0
1175	Chain Link Fence - Replace	$32,250	$0	$0	$0	$0
1400	Play Equipment - Replace	$0	$0	$0	$0	$0
1401	Benches/Picnic Sets - Repair/Replc	$0	$0	$0	$0	$0
1405	Court - Resurface/Overlay	$0	$0	$0	$0	$0
1420	Entry Sign/Monuments - Refurbish	$0	$0	$0	$0	$0
1430	Monument Lighting - Repair/Replace	$0	$3,209	$0	$0	$0
1450	Wood Trellis - Repair/Replace	$0	$0	$0	$0	$0
1500	Landscape - Refurbish	$0	$8,024	$0	$0	$0
1875	Retention Ponds - Clean/Maintain	$0	$0	$0	$0	$0
1890	Trees - Trim/Remove	$0	$0	$0	$0	$13,151
	Total Expenses	$32,250	$21,904	$2,562	$0	$13,151
	Ending Reserve Balance:	$100,137	$103,040	$126,010	$152,398	$166,462

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24) 18664-1

	Fiscal Year	2034	2035	2036	2037	2038
	Starting Reserve Balance	$166,462	$175,469	$170,351	$199,793	$230,223
	Annual Reserve Contribution	$26,262	$26,919	$27,592	$28,281	$28,988
	Planned Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$1,709	$1,728	$1,850	$2,149	$2,382
	Total Income	$194,433	$204,115	$199,793	$230,223	$261,593
#	Component					
201	Asphalt - Resurface/Overlay	$0	$0	$0	$0	$0
403	Mailboxes - Replace/Repair	$0	$0	$0	$0	$0
505	Wood Fence - Repair/Replace	$0	$0	$0	$0	$0
506	Wood Fence - Clean/Stain (Paint)	$0	$12,371	$0	$0	$0
510	Split Rail Fence - Replace	$0	$0	$0	$0	$0
1175	Chain Link Fence - Replace	$0	$0	$0	$0	$0
1400	Play Equipment - Replace	$0	$0	$0	$0	$0
1401	Benches/Picnic Sets - Repair/Replc	$0	$0	$0	$0	$0
1405	Court - Resurface/Overlay	$0	$0	$0	$0	$0
1420	Entry Sign/Monuments - Refurbish	$0	$0	$0	$0	$0
1430	Monument Lighting - Repair/Replace	$0	$0	$0	$0	$0
1450	Wood Trellis - Repair/Replace	$0	$12,092	$0	$0	$0
1500	Landscape - Refurbish	$0	$9,301	$0	$0	$0
1875	Retention Ponds - Clean/Maintain	$18,964	$0	$0	$0	$0
1890	Trees - Trim/Remove	$0	$0	$0	$0	$15,246
	Total Expenses	$18,964	$33,764	$0	$0	$15,246
	Ending Reserve Balance:	$175,469	$170,351	$199,793	$230,223	$246,347

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29) 18664-1

	Fiscal Year	2039	2040	2041	2042	2043
	Starting Reserve Balance	$246,347	$266,900	$204,499	$237,927	$248,332
	Annual Reserve Contribution	$29,713	$30,456	$31,217	$31,998	$32,798
	Planned Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$2,565	$2,356	$2,211	$2,430	$2,571
	Total Income	$278,625	$299,712	$237,927	$272,355	$283,700
#	Component					
201	Asphalt - Resurface/Overlay	$0	$0	$0	$0	$0
403	Mailboxes - Replace/Repair	$0	$0	$0	$0	$0
505	Wood Fence - Repair/Replace	$0	$70,089	$0	$0	$0
506	Wood Fence - Clean/Stain (Paint)	$0	$14,341	$0	$0	$0
510	Split Rail Fence - Replace	$0	$0	$0	$0	$0
1175	Chain Link Fence - Replace	$0	$0	$0	$0	$0
1400	Play Equipment - Replace	$0	$0	$0	$0	$0
1401	Benches/Picnic Sets - Repair/Replc	$11,725	$0	$0	$0	$0
1405	Court - Resurface/Overlay	$0	$0	$0	$0	$0
1420	Entry Sign/Monuments - Refurbish	$0	$0	$0	$0	$0
1430	Monument Lighting - Repair/Replace	$0	$0	$0	$0	$0
1450	Wood Trellis - Repair/Replace	$0	$0	$0	$0	$0
1500	Landscape - Refurbish	$0	$10,783	$0	$0	$0
1875	Retention Ponds - Clean/Maintain	$0	$0	$0	$24,023	$0
1890	Trees - Trim/Remove	$0	$0	$0	$0	$17,674
	Total Expenses	$11,725	$95,214	$0	$24,023	$17,674
	Ending Reserve Balance:	$266,900	$204,499	$237,927	$248,332	$266,026

Accuracy, Limitations, and Disclosures

Washington disclosure, per RCW 64.34.382:

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair or replacement of a reserve component.

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, or ownership expectations. Because many years of financial preparation help the preparation for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves, Inc., and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. James D. Talaga R.S., company president, is a credentialed Reserve Specialist (#66). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association’s situation.

We have relied upon the client to provide the current (or projected) Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Reserve Fund. In addition, we have considered the association's representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were developed by Association Reserves unless otherwise noted in our "Site Inspection Notes" comments. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budget purposes.

Terms and Definitions

BTU British Thermal Unit (a standard unit of energy)
DIA Diameter
GSF Gross Square Feet (area)
GSY Gross Square Yards (area)
HP Horsepower
LF Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an association total.

FFB = (Current Cost X Effective Age) / Useful Life

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a common area component can be expected to serve its intended function.

Photographic Inventory Appendix

The primary purpose of the photographic appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The photographs herein represent a wide range of elements that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding:

1) Common area maintenance, repair & replacement responsibility
2) Components must have a limited life
3) Life limit must be predictable
4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of annual operating expenses).

Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair or replacement cycles to the left of the photo (UL = Useful Life or how often the project is expected to occur, RUL = Remaining Useful Life or how many years from our reporting period) and a representative market cost range termed "Best Cost" and "Worst Cost" below the photo. There are many factors that can result in a wide variety of potential costs; we are attempting to represent a market average for budget purposes. Where there is no UL, the component is expected to be a one-time expense. Where no pricing, the component deemed inappropriate for Reserve Funding.

Comp #: 103 Roads, St Lights, Sdwlks - Replace

Quantity: Asphalt, conc, posts

Location: Throughout community

Evaluation: The asphalt roads, adjacent concrete sidewalks and metal street lights throughout the community are public and maintained by the municipality. Under this mode of care, Association reserve funding not applicable.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source: Does not meet NRSS criteria for reserve funding

Comp #: 201 Asphalt - Resurface/Overlay

Quantity: Approx 6,700 GSF

Location: Retention Pond access road (within Tract 999)

Evaluation: We had limited visibility of this asphalt as the gate for the retention pond area was locked. From our very restricted viewpoint, we noted stable condition with no major damage, upheaval or significant raveling (loss of binder).

Even with ordinary care and maintenance, plan for eventual large scale resurface (overlay) at roughly the time frame below. As timing draws nearer, consult with asphalt vendor/consultant for recommendations and complete scope.

As routine maintenance, keep roadway clean, free of debris and well drained; fill/seal cracks (hot rubberized crack fill) to prevent water from penetrating into the sub-base and accelerating damage. While sealcoat can be applied, most likely cost/benefit ratio of this type of road with low use, adjacent to stormwater ponds, etc. most likely not cost effective. Sealcoat is most beneficial on heavily traveled surfaces with low speed and limited drainage. Also, restrictions could apply to this area located adjacent to stormwater ponds.

Useful Life:
25 years

Remaining Life:
10 years

Best Case: $13,400.00

$2.00/GSF, Lower allowance to resurface (overlay)

Worst Case: $16,800.00

$2.50/GSF, Higher allowance, more work to base, etc.

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 403 Mailboxes - Replace/Repair

Quantity: (18) metal cluster units

Location: Adjacent to roads throughout community

Evaluation: No problems observed of metal cluster box stands throughout community. These units were recently (2013) cleaned and painted.

Best to plan for total replacement at roughly the time frame below due to constant exposure, usage and wear over time. Note: USPS has a limited budget for replacement and should not be relied upon for purposes of long term planning.

Inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget.

Useful Life:
25 years

Remaining Life:
10 years

Best Case: $23,400.00

$1,300/CBU (x18), Lower allowance to replace, includes installation

Worst Case: $30,600.00

$1,700/CBU (x18), Higher allowance, additional labor, upgraded style, etc.

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 505 Wood Fence - Repair/Replace

Quantity: ~1,300 LF, 6' board

Location: Pipeline easement border

Evaluation: We noted the majority of fencing to be in stable condition with no major damage/deterioration observed. Some local repairs, replacements and touch-up as needed were performed in 2013 prior to our site visit.

Best to plan to replace at roughly the time frame below with funding included here for similar style fence. At next replacement, association might want to consider replacing with lower maintenance products like composite, vinyl, etc; typical costs at installation about ~40 to 50% higher, but requires less maintenance and has significantly longer life.

As routine maintenance, inspect regularly for any damage, repair as needed and avoid contact with ground and surrounding vegetation. Regular cycles of uniform, professional sealing/painting will help to maintain appearance and maximize life (component #506).

Useful Life:
20 years

Remaining Life:
6 years

Best Case: $28,600.00

$22/LF, Lower allowance to remove and replace

Worst Case: $36,400.00

$28/LF, Higher allowance to replace with additional materials and preparation

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 506 Wood Fence - Clean/Stain (Paint)

Quantity: ~7,800 GSF

Location: Pipeline easement border, outside face only

Evaluation: Surface appearance appears fair with no major fading/deterioration observed. Some spot work in 2013 including touch-up of surfaces.

We recommend planning for routine clean/stain (paint) applications as shown here. Regular uniform, professional sealer applications are recommended for appearance, protection of wood and maximum design life. Remove any contact with ground and surrounding landscape; repair as needed and clean prior to sealer application. Pay particular attention to end grains of fence to help prevent water from wicking into wood; solid, full bodied product provides best protection.

Routine repairs/touch-up should be factored within the operating budget.

Useful Life:
5 years

Remaining Life:
1 years

Best Case: $5,500.00

$0.70/GSF, Lower allowance to clean/stain (paint)

Worst Case: $7,800.00

$1.00/GSF, Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 510 Split Rail Fence - Replace

Quantity: Approx 80 LF wood

Location: Entrance to the community

Evaluation: This fencing is weathered and grayed as not being stained which is typical for this style of fencing. We noted one area where the horizontal piece has fallen to the ground and needs repaired.

Best to plan to replace at roughly the time frame below with funding included here for similar style fence. At next replacement, association might want to consider replacing with lower maintenance products like composite, vinyl, etc; typical costs at installation about ~40 to 50% higher, but requires less maintenance and has significantly longer life.

As routine maintenance, inspect regularly for any damage, repair as needed and avoid contact with ground and surrounding vegetation.

Useful Life:
15 years

Remaining Life:
2 years

Best Case: $1,300.00

$16/LF, Lower allowance to remove and replace

Worst Case: $1,800.00

$22/LF, Higher allowance, additional materials and labor

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1175 Chain Link Fence - Replace

Quantity: ~900 LF, vinyl coated

Location: Surrounding detention ponds

Evaluation: We had limited visibility of this fencing as majority was not accessible during our site visit as detention pond access gate was locked. No problems observed from our viewpoint.

Even with ordinary care and maintenance, plan to replace this fence as shown below due to deterioration that will result from constant exposure. If vegetation is not kept trimmed back, life could be reduced.

Inspect regularly; clean and repair, stretch locally as needed as part of general maintenance, operating funding.

Useful Life:
30 years

Remaining Life:
15 years

Best Case: $18,000.00

$20/LF, Lower allowance to remove and replace

Worst Case: $23,400.00

$26LF, Higher allowance, additional preparation and materials

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1400 Play Equipment - Replace

Quantity: Assorted pieces

Location: Common area park off 47th Ave. Se

Evaluation: Equipment includes some timber pieces and metal structures. We noted some wear of the wood, however no major damage/deterioration observed at this time.

Replacement cycles vary depending on the amount of use/abuse, however expect extensive park area renovation at roughly the time frame listed below. This can include work at the borders and fill area replenishment.

Inspect for stability, damage and excessive wear and utilize maintenance funds for any repairs needed between replacement cycles.

Useful Life:
20 years

Remaining Life:
10 years

Best Case: $25,000.00

Lower allowance to replace pieces

Worst Case: $35,000.00

Higher allowance, border work, fill area replenishment, upgraded equipment, etc.

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1401 Benches/Picnic Sets - Repair/Replc

Quantity: (4) bench, (4) picnic

Location: Common area park off 47th Ave. Se

Evaluation: We noted wear of the wood seats/tables, however steel structures appear to be stable.

Best to plan for regular intervals of complete replacement at the time frame indicated below, to maintain functionality and a quality appearance. Consider composite, coated metal, concrete or similar as lowest maintenance, typically least annualized cost over time. Possibility exists to replace wood pieces only, however costs shown here are for entire components.

Inspect regularly, clean for appearance and repair as needed from general operating funds.

Useful Life:
20 years

Remaining Life:
5 years

Best Case: $4,400.00

$300/bench (x4) plus $800/picnic set (x4), Lower allowance to replace

Worst Case: $6,800.00

$500/bench (x4) plus $1,200/picnic set (x4), Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1405 Court - Resurface/Overlay

Quantity: ~1,600 GSF, asphalt

Location: Common area park off 47th Ave. Se

Evaluation: We note some raveling (loss of binder) at surfaces and some dirt stains which could be a sign of adjacent drainage issues. Surface is not lined or coated at this time.

Even with ordinary care and maintenance, plan for eventual large scale resurface (overlay) at roughly the time frame below. As timing draws nearer, consult with asphalt vendor/consultant for recommendations and complete scope.

As routine maintenance, keep clean, free of debris and well drained; fill/seal cracks (hot rubberized crack fill) to prevent water from penetrating into the sub-base and accelerating damage. A coating can provide additional protection.

Useful Life:
25 years

Remaining Life:
10 years

Best Case: $3,200.00

$2.00/GSF, Lower allowance to resurface (overlay)

Worst Case: $4,000.00

$2.50/GSF, Higher allowance, more work to base, etc.

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1420 Entry Sign/Monuments - Refurbish

Quantity: 7' granite slab, (6) clmn

Location: Entry to community

Evaluation: The entry area signs/monuments consist of a 7' granite slab sign with attached metal lettering, (6) masonry columns and ~40 LF of metal fencing/rail. No signs of damage/deterioration of these areas observed at this time.

Although sturdy components, best to plan for funding for refurbishing/repairs as shown here to maintain this important community entry area.

As routine maintenance, inspect regularly, clean/touch up for appearance and repair from operating budget.

Useful Life:
25 years

Remaining Life:
5 years

Best Case: $5,000.00
Lower allowance for refurbishing/repairs

Worst Case: $7,000.00
Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1430 Monument Lighting - Repair/Replace

Quantity: Ground, assorted

Location: Adjacent to entry area monument

Evaluation: The Association Manager indicates that discussion regarding replacing or purchasing covers for lighting here due to problems with vandalism. At this time no specific bids were provided, however per discussion with Association Manager, funding recommended here for 2015 for repairs/replacement, etc. Ongoing funding is included here as eventually replacement will be needed. Costs shown here are allowances only as complete scope of work, products to be used not determined yet.

Useful Life:
15 years

Remaining Life:
1 years

Best Case: $1,500.00

Lower periodic allowance for lighting repairs/replacement

Worst Case: $2,500.00

Higher allowaance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1450 Wood Trellis - Repair/Replace

Quantity: ~40 LF

Location: Entrance to the community

Evaluation: We noted some wear of the surface finish and some cracking of wood, however no instability or major damage observed at this time.

With ordinary care and maintenance, plan for replacement at roughly the interval indicated below due to deterioration that will result from constant exposure. Local repairs and touch-up/staining between large scale replacements can be funded as general maintenance item or along with fence work (#1401).

Useful Life:
18 years

Remaining Life:
3 years

Best Case: $5,000.00

Lower allowance to remove and replace

Worst Case: $8,000.00

Higher allowance, additional materials and surface preparation

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1500 Landscape - Refurbish

Quantity: Shrubs, grass, etc.

Location: Common areas

Evaluation: Some discussion regarding removal of hedge which leads to the community park, however no specific plans in place yet. Overall, landscaping in fair condition at this time.

Ongoing maintenance needs are typically funded within the operating budget, however, this component may be utilized for setting aside funds for larger expenses that do not occur on an annual basis, such as: large scale plantings, turf renovation, bark/mulch replenishment, drainage improvements, etc. In our experience, best to fund for periodic larger projects for community landscaping to maintain this area in most visible community areas. Timing/pricing here are allowances only and actual costs/timing can vary.

Useful Life:
5 years

Remaining Life:
1 years

Best Case: $4,000.00

Lower allowance for landscape projects, refurbishing

Worst Case: $6,000.00

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1505 Irrigation System - Repair/Replace

Quantity: Moderate systems

Location: Throughout common area at community entrance

Evaluation: We inspected during winter season when not in use. No problems reported to us.

If properly installed and bedded without defect, the lines themselves are expected to be long-lived with no predictable expectation for replacement. Although large system renovations, repairs, zone reconfiguration, etc. may become necessary, difficult to predict timing, scope, cost, therefore no reserve funding recommended here.

As routine maintenance, inspect regularly, test system and repair as needed. Follow proper winterization and spring start up procedures.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source: Does not meet NRSS criteria for reserve funding

Comp #: 1875 Retention Ponds - Clean/Maintain

Quantity: (3) ponds

Location: North end of 51st Ave SE (Tract 999)

Evaluation: We had very limited inspection of stormwater ponds as behind locked gate. We observed some growth surrounding ponds. We were informed that within the past 3-4 years on two separate occasions Snohomish County performed some maintenance work in these areas, however reported to us these are anticipated to be one time events by the county with the Association ultimately responsible to maintain these areas.

Even with proactive cleanings/inspections, debris will eventually build up raising floor and warranting sediment removal and reconstruction to original design parameters per Department of Ecology guidelines. Best to plan for sediment removal and repair of ponds at the interval below; ponds should be professionally assessed before this time for more specific guidance.

Ongoing maintenance program and close inspection is essential for performance and forestalling sediment removal. We assume ongoing vegetation and debris control as routine maintenance procedure. Guidelines for maintaining these systems are typically found on governing authority's website.

Useful Life:
8 years

Remaining Life:
4 years

Best Case: $6,000.00

Lower allowance to clean, remove sediment, etc.

Worst Case: $15,000.00

Higher allowance, more extensive areas

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1880 Wetlands/NGPA - Maintain

Quantity: Scattered area of cmmnty

Location: Scattered borders of community

Evaluation: In Section 1.5.5 of the community declarations it states that these NGPA's are considered common area. No problems observed in these areas based on our boundary area inspection. We recommend compliance with any and all governmental regulations regarding these areas. Typically these areas are to remain undisturbed in a substantially natural state; periodic hazard tree removal is typically allowed (see #1890). No basis for large scale reserve funding suggested at this time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source: Does not meet NRSS criteria for reserve funding

Comp #: 1890 Trees - Trim/Remove

Quantity: Extensive, assorted

Location: NGPA's, wetlands, common areas

Evaluation: Some problems in 2013 caused tree removals/trimming particularly at the NGPA's. Prior to this no real maintenance plan was in place. As a result of the problems in 2013, our board contact reports a recurring management plan has been created, with a formal report and recommendations provided by a certified Arborist. A specific line item allocation has been included in the 2014 budget based on the Arborist plan.

In addition to adding funding within the operating budget for immediate issues, we recommend a periodic allowance as shown here for larger trimming/removal projects that may be needed to adequately manage these areas. The timing/pricing here can vary based on the nature of this component- tracking actual expenses closely will aid in future reserve study update accuracy.

Useful Life:
5 years

Remaining Life:
4 years

Best Case: $5,000.00

Lower allowance for periodic tree trimming/removal work

Worst Case: $10,000.00

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1910 Sewage Pump Station - Maintain

Quantity: (1) system

Location: Tract 998 of the community plat map, north end of 51st Ave. SE

Evaluation: In Section 1.5.5 of the community declarations it states that this sewage pump station is considered common area. It has been reported to us, the mechanical elements are the responsibility of the county to maintain. The adjacent signage confirms that it is controlled and maintained by the Silver Lake Water District. We do not suggest any separate funding for these areas, based on the aforementioned information. Any changes in cost or policy can be reflected in future Study updates as needed.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source: Does not meet NRSS criteria for reserve funding

Comp #: 1915 Building Exteriors - Repair/Replace

Quantity: Roofing, siding, plmb etc

Location: Individual buildings throughout community

Evaluation: The Association is not responsible for any building maintenance and therefore no funding for buildings included within this reserve study.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source: Does not meet NRSS criteria for reserve funding

Comp #: 1920 Reserve Study - Update

Quantity: Annual update

Location: Common areas of association

Evaluation: Per Washington law (RCW), reserve studies are to be updated annually, with site inspections by an independent reserve study professional to occur no less than every three years to assess changes in condition (i.e., physical, economic, governmental, etc...) and the resulting effect on the community's long-term reserve plan. Most appropriately factored within operating budget, not as reserve component.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source: Does not meet NRSS criteria for reserve funding