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## Update "With-Site-Visit" Reserve Study



### Shadow Run at Canyon Lakes Common Areas Kennewick, WA

**Report #: 33951-0**  
**For Period Beginning: January 1, 2019**  
**Expires: December 31, 2019**

**Date Prepared: April 4, 2018**



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**Hello, and welcome to your Reserve Study!**

**T**his 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.

**W**ith 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?**

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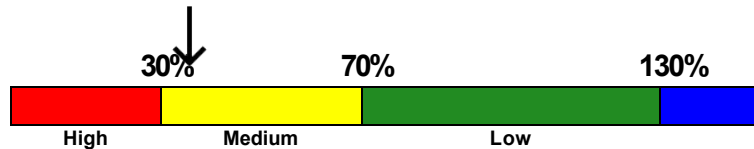
### 3- Minute Executive Summary

**Association:** Shadow Run at Canyon Lakes **Assoc. #: 33951-0**  
**Common Areas**  
**Location:** Kennewick, WA **# of Units:197**  
**Report Period:** January 1, 2019 through December 31, 2019

**Findings/Recommendations as-of: January 1, 2019**

Starting Reserve Balance . . . . .	\$35,171
Current Fully Funded Reserve Balance . . . . .	\$98,038
Percent Funded . . . . .	35.9 %
Average Reserve Deficit or (Surplus) Per Unit . . . . .	\$319
Recommended 2019 100% Monthly "Full Funding" Contributions . . . . .	\$834
2019 "Baseline Funding" minimum contributions to keep Reserves above \$0 . . . . .	\$752
Most Recent Budgeted Contribution Rate . . . . .	\$500

Reserves % Funded: 35.9%



Special Assessment Risk:

**Economic Assumptions:**

Net Annual "After Tax" Interest Earnings Accruing to Reserves . . . . . 1.00 %  
 Annual Inflation Rate . . . . . 3.00 %

- This is a Update "With-Site-Visit" Reserve Study, meeting or exceeding all requirements of the RCW. This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).
- Your Reserve Fund is currently 35.9 % Funded. This means the association’s special assessment & deferred maintenance risk is currently Medium. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Contributions of \$834 this fiscal year. The 100% “Full” contribution rate is designed to gradually achieve this funding objective by the end of our 30-year report scope.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Inventory Appendix				
100	Concrete - Repair/Replace	10	9	\$2,500
140	Wood Fence - Replace	20	15	\$87,750
141	Wood Fence - Stain	5	0	\$17,850
170	Landscape - Refurbish	5	4	\$4,000
175	Irrigation System - Repair/Replace	5	4	\$2,500
200	Monument Signage - Replace	25	10	\$4,500
205	Mailboxes - Replace	25	6	\$22,400
340	Play Equipment - Replace (a)	25	20	\$35,000
340	Play Equipment - Replace (b)	25	7	\$35,000
346	Site Furniture - Replace (a)	25	23	\$3,000
346	Site Furniture - Replace (b)	25	7	\$6,300
<b>11 Total Funded Components</b>				

Note 1: Yellow highlighted line items are expected to require attention in this initial year, green highlighted items are expected to occur within the first-five years.

## 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 combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

## Methodology



For this [Update With-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched 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 Funded by Reserves?*

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining 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 (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

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.

## *How do we establish Useful Life and Remaining Useful Life estimates?*

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

## *How do we establish Current Repair/Replacement Cost Estimates?*

In this order...

- 1) Actual client cost history, or current proposals
- 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?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

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?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to 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. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

## What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

## Site Inspection Notes

During our site visit on 3/29/2018, we started the site inspection beginning with the site and grounds. We visually inspected all visible common area while compiling a photographic inventory, noting: current condition, make & model information where appropriate, apparent levels of care and maintenance, exposure to weather elements and other factors that may affect the components useful life.

At the time of our site visit we learned that the playground at the main park along S Conway Dr was replaced in 2014, and that picnic tables and pet stations were added in several common areas in 2017. We noted soil against the bottom rail of the perimeter fencing in multiple areas and recommend that the landscaping be regraded to prevent soil from touching wood.



## Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these expenses are shown in the 30-yr Summary Table, while details of the projects that make up these expenses are shown in the Cash Flow Detail Table.

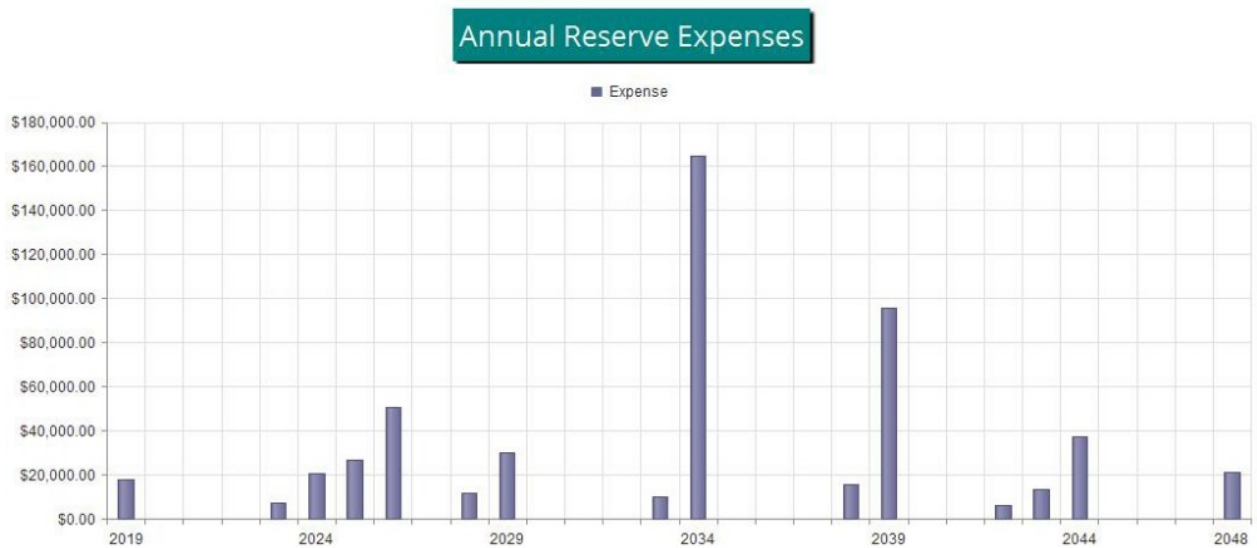


Figure 1

## Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$35,171 as-of the start of your Fiscal Year on 1/1/2019. As of that date, your Fully Funded Balance is computed to be \$98,038 (see Fully Funded Balance Table). This figure represents the deteriorated value of your common area components.

## Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$834 per month this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary Table and the Cash Flow Detail Table.

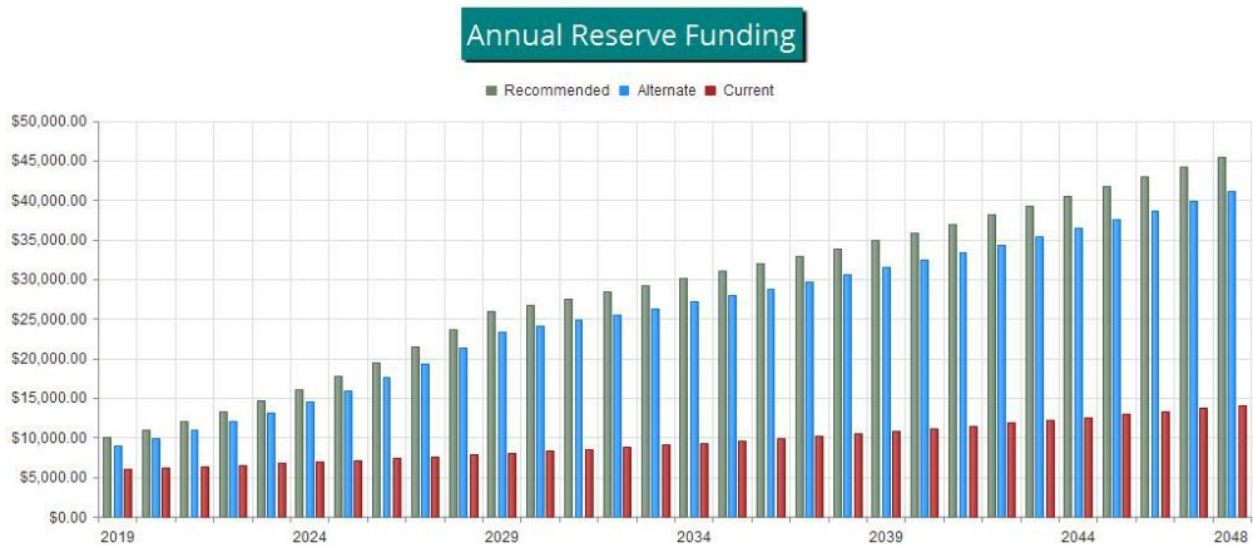


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate (assumes future increases), compared to your always-changing Fully Funded Balance target.

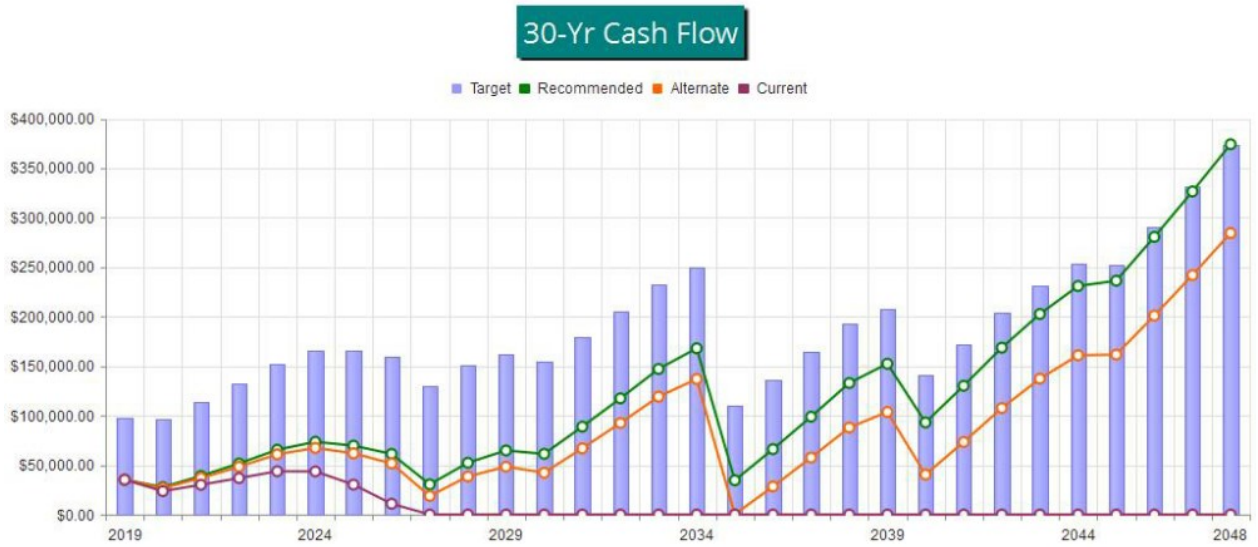


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

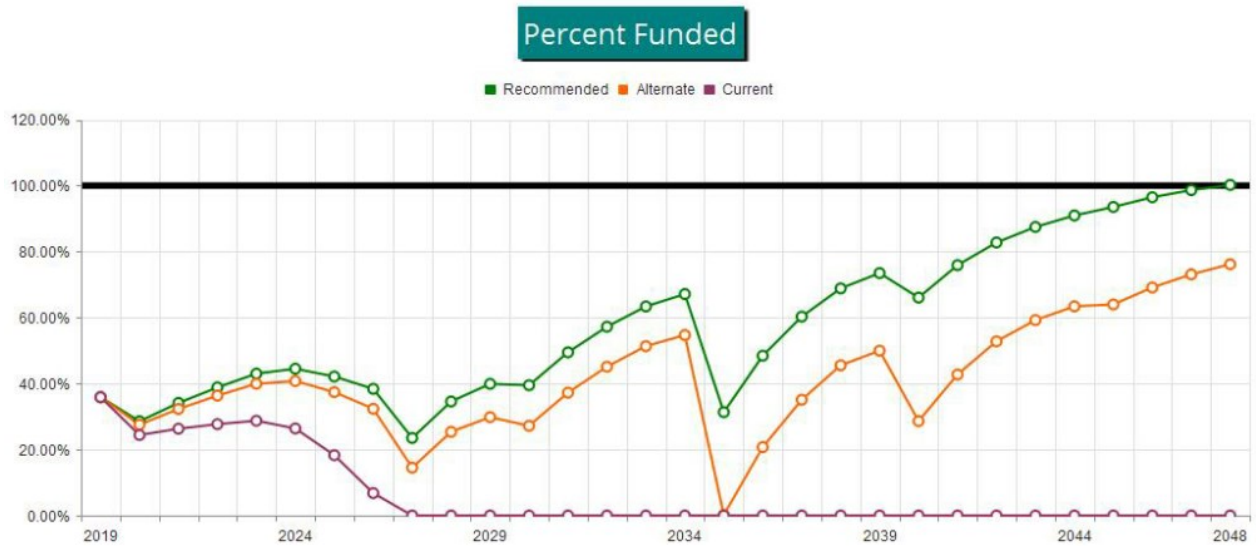


Figure 4

## Table Descriptions

The tabular information in this Report is broken down into nine tables, not all which may have been chosen by your Project Manager to appear in your report. Tables are listed in the order in which they appear in your Report.

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Analysis Summary provides a summary of the starting financial information and your Project Manager's Financial Analysis decision points.

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the association total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the association, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

Accounting-Tax Summary provides information on each Component's proportionate portion of key totals, valuable to accounting professionals primarily during tax preparation time of year.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.



# Reserve Component List Detail

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# Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
				Best Case	Worst Case
Inventory Appendix					
100 Concrete - Repair/Replace	Sidewalks, etc.	10	9	\$2,000	\$3,000
140 Wood Fence - Replace	~ 3,250 LF 6' tall wood	20	15	\$73,100	\$102,400
141 Wood Fence - Stain	~ 3,250 LF 6' tall wood	5	0	\$14,600	\$21,100
170 Landscape - Refurbish	Trees, shrubs, turf	5	4	\$3,000	\$5,000
175 Irrigation System - Repair/Replace	Extensive system	5	4	\$2,000	\$3,000
200 Monument Signage - Replace	~ (1) masonry, (1) rock	25	10	\$3,500	\$5,500
205 Mailboxes - Replace	~ (14) mail, (1) parcel	25	6	\$19,600	\$25,200
340 Play Equipment - Replace (a)	~ (1) metal (1) tireswing	25	20	\$30,000	\$40,000
340 Play Equipment - Replace (b)	~ (1) metal, (1) swing	25	7	\$30,000	\$40,000
346 Site Furniture - Replace (a)	~ (3) picnic tables	25	23	\$2,400	\$3,600
346 Site Furniture - Replace (b)	~ (9) assorted	25	7	\$5,900	\$6,700
11 Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Inventory Appendix								
100	Concrete - Repair/Replace	\$2,500	X	1	/	10	=	\$250
140	Wood Fence - Replace	\$87,750	X	5	/	20	=	\$21,938
141	Wood Fence - Stain	\$17,850	X	5	/	5	=	\$17,850
170	Landscape - Refurbish	\$4,000	X	1	/	5	=	\$800
175	Irrigation System - Repair/Replace	\$2,500	X	1	/	5	=	\$500
200	Monument Signage - Replace	\$4,500	X	15	/	25	=	\$2,700
205	Mailboxes - Replace	\$22,400	X	19	/	25	=	\$17,024
340	Play Equipment - Replace (a)	\$35,000	X	5	/	25	=	\$7,000
340	Play Equipment - Replace (b)	\$35,000	X	18	/	25	=	\$25,200
346	Site Furniture - Replace (a)	\$3,000	X	2	/	25	=	\$240
346	Site Furniture - Replace (b)	\$6,300	X	18	/	25	=	\$4,536
								\$98,038

# Component Significance

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#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Inventory Appendix					
100	Concrete - Repair/Replace	10	\$2,500	\$250	1.82 %
140	Wood Fence - Replace	20	\$87,750	\$4,388	31.90 %
141	Wood Fence - Stain	5	\$17,850	\$3,570	25.95 %
170	Landscape - Refurbish	5	\$4,000	\$800	5.82 %
175	Irrigation System - Repair/Replace	5	\$2,500	\$500	3.63 %
200	Monument Signage - Replace	25	\$4,500	\$180	1.31 %
205	Mailboxes - Replace	25	\$22,400	\$896	6.51 %
340	Play Equipment - Replace (a)	25	\$35,000	\$1,400	10.18 %
340	Play Equipment - Replace (b)	25	\$35,000	\$1,400	10.18 %
346	Site Furniture - Replace (a)	25	\$3,000	\$120	0.87 %
346	Site Furniture - Replace (b)	25	\$6,300	\$252	1.83 %
11	Total Funded Components			\$13,756	100.00 %

# 30-Year Reserve Plan Summary

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Fiscal Year Start: 2019

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2019	\$35,171	\$98,038	35.9 %	Medium	\$10,008	\$0	\$314	\$17,850
2020	\$27,643	\$96,761	28.6 %	High	\$11,009	\$0	\$333	\$0
2021	\$38,985	\$114,257	34.1 %	Medium	\$12,110	\$0	\$452	\$0
2022	\$51,547	\$132,716	38.8 %	Medium	\$13,321	\$0	\$585	\$0
2023	\$65,452	\$152,179	43.0 %	Medium	\$14,653	\$0	\$694	\$7,316
2024	\$73,483	\$165,156	44.5 %	Medium	\$16,118	\$0	\$715	\$20,693
2025	\$69,624	\$165,222	42.1 %	Medium	\$17,730	\$0	\$654	\$26,747
2026	\$61,261	\$159,547	38.4 %	Medium	\$19,503	\$0	\$458	\$50,794
2027	\$30,428	\$129,440	23.5 %	High	\$21,453	\$0	\$413	\$0
2028	\$52,295	\$151,271	34.6 %	Medium	\$23,598	\$0	\$585	\$11,743
2029	\$64,735	\$162,201	39.9 %	Medium	\$25,958	\$0	\$630	\$30,037
2030	\$61,286	\$155,170	39.5 %	Medium	\$26,737	\$0	\$750	\$0
2031	\$88,773	\$179,437	49.5 %	Medium	\$27,539	\$0	\$1,030	\$0
2032	\$117,342	\$205,021	57.2 %	Medium	\$28,365	\$0	\$1,321	\$0
2033	\$147,029	\$231,978	63.4 %	Medium	\$29,216	\$0	\$1,574	\$9,832
2034	\$167,988	\$250,241	67.1 %	Medium	\$30,093	\$0	\$1,012	\$164,521
2035	\$34,571	\$110,364	31.3 %	Medium	\$30,995	\$0	\$503	\$0
2036	\$66,070	\$136,411	48.4 %	Medium	\$31,925	\$0	\$824	\$0
2037	\$98,819	\$163,921	60.3 %	Medium	\$32,883	\$0	\$1,158	\$0
2038	\$132,860	\$192,959	68.9 %	Medium	\$33,870	\$0	\$1,426	\$15,782
2039	\$152,373	\$207,337	73.5 %	Low	\$34,886	\$0	\$1,227	\$95,453
2040	\$93,033	\$140,830	66.1 %	Medium	\$35,932	\$0	\$1,115	\$0
2041	\$130,080	\$171,412	75.9 %	Low	\$37,010	\$0	\$1,493	\$0
2042	\$168,583	\$203,702	82.8 %	Low	\$38,120	\$0	\$1,855	\$5,921
2043	\$202,638	\$231,677	87.5 %	Low	\$39,264	\$0	\$2,167	\$13,213
2044	\$230,855	\$253,818	91.0 %	Low	\$40,442	\$0	\$2,335	\$37,374
2045	\$236,258	\$252,603	93.5 %	Low	\$41,655	\$0	\$2,583	\$0
2046	\$280,496	\$290,736	96.5 %	Low	\$42,905	\$0	\$3,033	\$0
2047	\$326,434	\$330,929	98.6 %	Low	\$44,192	\$0	\$3,501	\$0
2048	\$374,127	\$373,273	100.2 %	Low	\$45,518	\$0	\$3,881	\$21,209

**(Alternate Funding Plan) 30-Year Reserve Plan Summary**

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Fiscal Year Start: 2019	Interest: 1.00 %	Inflation: 3.00 %
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)	Projected Reserve Balance Changes	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2019	\$35,171	\$98,038	35.9 %	Medium	50.40 %	\$9,024	\$0	\$309	\$17,850
2020	\$26,654	\$96,761	27.5 %	High	10.00 %	\$9,926	\$0	\$318	\$0
2021	\$36,898	\$114,257	32.3 %	Medium	10.00 %	\$10,919	\$0	\$426	\$0
2022	\$48,243	\$132,716	36.4 %	Medium	10.00 %	\$12,011	\$0	\$545	\$0
2023	\$60,798	\$152,179	40.0 %	Medium	10.00 %	\$13,212	\$0	\$640	\$7,316
2024	\$67,335	\$165,156	40.8 %	Medium	10.00 %	\$14,533	\$0	\$646	\$20,693
2025	\$61,821	\$165,222	37.4 %	Medium	10.00 %	\$15,987	\$0	\$567	\$26,747
2026	\$51,628	\$159,547	32.4 %	Medium	10.00 %	\$17,585	\$0	\$352	\$50,794
2027	\$18,771	\$129,440	14.5 %	High	10.00 %	\$19,344	\$0	\$286	\$0
2028	\$38,400	\$151,271	25.4 %	High	10.00 %	\$21,278	\$0	\$434	\$11,743
2029	\$48,369	\$162,201	29.8 %	High	10.00 %	\$23,406	\$0	\$453	\$30,037
2030	\$42,191	\$155,170	27.2 %	High	3.00 %	\$24,108	\$0	\$545	\$0
2031	\$66,844	\$179,437	37.3 %	Medium	3.00 %	\$24,831	\$0	\$796	\$0
2032	\$92,472	\$205,021	45.1 %	Medium	3.00 %	\$25,576	\$0	\$1,057	\$0
2033	\$119,106	\$231,978	51.3 %	Medium	3.00 %	\$26,344	\$0	\$1,279	\$9,832
2034	\$136,897	\$250,241	54.7 %	Medium	3.00 %	\$27,134	\$0	\$685	\$164,521
2035	\$194	\$110,364	0.2 %	High	3.00 %	\$27,948	\$0	\$142	\$0
2036	\$28,285	\$136,411	20.7 %	High	3.00 %	\$28,786	\$0	\$429	\$0
2037	\$57,500	\$163,921	35.1 %	Medium	3.00 %	\$29,650	\$0	\$727	\$0
2038	\$87,876	\$192,959	45.5 %	Medium	3.00 %	\$30,539	\$0	\$957	\$15,782
2039	\$103,591	\$207,337	50.0 %	Medium	3.00 %	\$31,456	\$0	\$719	\$95,453
2040	\$40,313	\$140,830	28.6 %	High	3.00 %	\$32,399	\$0	\$568	\$0
2041	\$73,280	\$171,412	42.8 %	Medium	3.00 %	\$33,371	\$0	\$904	\$0
2042	\$107,555	\$203,702	52.8 %	Medium	3.00 %	\$34,372	\$0	\$1,223	\$5,921
2043	\$137,230	\$231,677	59.2 %	Medium	3.00 %	\$35,404	\$0	\$1,490	\$13,213
2044	\$160,911	\$253,818	63.4 %	Medium	3.00 %	\$36,466	\$0	\$1,612	\$37,374
2045	\$161,614	\$252,603	64.0 %	Medium	3.00 %	\$37,560	\$0	\$1,812	\$0
2046	\$200,986	\$290,736	69.1 %	Medium	3.00 %	\$38,686	\$0	\$2,213	\$0
2047	\$241,886	\$330,929	73.1 %	Low	3.00 %	\$39,847	\$0	\$2,630	\$0
2048	\$284,363	\$373,273	76.2 %	Low	3.00 %	\$41,042	\$0	\$2,956	\$21,209

**30-Year Income/Expense Detail (yrs 0 through 4)**

**33951-0  
WSV**

<b>Fiscal Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Starting Reserve Balance	\$35,171	\$27,643	\$38,985	\$51,547	\$65,452
Annual Reserve Contribution	\$10,008	\$11,009	\$12,110	\$13,321	\$14,653
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$314	\$333	\$452	\$585	\$694
<b>Total Income</b>	<b>\$45,493</b>	<b>\$38,985</b>	<b>\$51,547</b>	<b>\$65,452</b>	<b>\$80,799</b>
<b># Component</b>					
<b>Inventory Appendix</b>					
100 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$0
140 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
141 Wood Fence - Stain	\$17,850	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$0	\$0	\$4,502
175 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$2,814
200 Monument Signage - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (b)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (b)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$17,850</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,316</b>
Ending Reserve Balance	\$27,643	\$38,985	\$51,547	\$65,452	\$73,483



<b>Fiscal Year</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Starting Reserve Balance	\$73,483	\$69,624	\$61,261	\$30,428	\$52,295
Annual Reserve Contribution	\$16,118	\$17,730	\$19,503	\$21,453	\$23,598
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$715	\$654	\$458	\$413	\$585
<b>Total Income</b>	<b>\$90,317</b>	<b>\$88,008</b>	<b>\$81,222</b>	<b>\$52,295</b>	<b>\$76,478</b>
# Component					
<b>Inventory Appendix</b>					
100 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$3,262
140 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
141 Wood Fence - Stain	\$20,693	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$0	\$0	\$5,219
175 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$3,262
200 Monument Signage - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$26,747	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (b)	\$0	\$0	\$43,046	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (b)	\$0	\$0	\$7,748	\$0	\$0
<b>Total Expenses</b>	<b>\$20,693</b>	<b>\$26,747</b>	<b>\$50,794</b>	<b>\$0</b>	<b>\$11,743</b>
Ending Reserve Balance	\$69,624	\$61,261	\$30,428	\$52,295	\$64,735

<b>Fiscal Year</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>
Starting Reserve Balance	\$64,735	\$61,286	\$88,773	\$117,342	\$147,029
Annual Reserve Contribution	\$25,958	\$26,737	\$27,539	\$28,365	\$29,216
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$630	\$750	\$1,030	\$1,321	\$1,574
<b>Total Income</b>	<b>\$91,323</b>	<b>\$88,773</b>	<b>\$117,342</b>	<b>\$147,029</b>	<b>\$177,819</b>
# Component					
<b>Inventory Appendix</b>					
100 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$0
140 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
141 Wood Fence - Stain	\$23,989	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$0	\$0	\$6,050
175 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$3,781
200 Monument Signage - Replace	\$6,048	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (b)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (b)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$30,037</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,832</b>
Ending Reserve Balance	\$61,286	\$88,773	\$117,342	\$147,029	\$167,988

<b>Fiscal Year</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>
Starting Reserve Balance	\$167,988	\$34,571	\$66,070	\$98,819	\$132,860
Annual Reserve Contribution	\$30,093	\$30,995	\$31,925	\$32,883	\$33,870
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,012	\$503	\$824	\$1,158	\$1,426
<b>Total Income</b>	<b>\$199,093</b>	<b>\$66,070</b>	<b>\$98,819</b>	<b>\$132,860</b>	<b>\$168,155</b>
# Component					
<b>Inventory Appendix</b>					
100 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$4,384
140 Wood Fence - Replace	\$136,712	\$0	\$0	\$0	\$0
141 Wood Fence - Stain	\$27,810	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$0	\$0	\$7,014
175 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$4,384
200 Monument Signage - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (b)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (b)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$164,521</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,782</b>
Ending Reserve Balance	\$34,571	\$66,070	\$98,819	\$132,860	\$152,373

<b>Fiscal Year</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>
Starting Reserve Balance	\$152,373	\$93,033	\$130,080	\$168,583	\$202,638
Annual Reserve Contribution	\$34,886	\$35,932	\$37,010	\$38,120	\$39,264
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,227	\$1,115	\$1,493	\$1,855	\$2,167
<b>Total Income</b>	<b>\$188,486</b>	<b>\$130,080</b>	<b>\$168,583</b>	<b>\$208,558</b>	<b>\$244,068</b>
# Component					
<b>Inventory Appendix</b>					
100 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$0
140 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
141 Wood Fence - Stain	\$32,239	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$0	\$0	\$8,131
175 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$5,082
200 Monument Signage - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$63,214	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (b)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$0	\$0	\$5,921	\$0
346 Site Furniture - Replace (b)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$95,453</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,921</b>	<b>\$13,213</b>
Ending Reserve Balance	\$93,033	\$130,080	\$168,583	\$202,638	\$230,855

<b>Fiscal Year</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>	<b>2047</b>	<b>2048</b>
Starting Reserve Balance	\$230,855	\$236,258	\$280,496	\$326,434	\$374,127
Annual Reserve Contribution	\$40,442	\$41,655	\$42,905	\$44,192	\$45,518
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,335	\$2,583	\$3,033	\$3,501	\$3,881
<b>Total Income</b>	<b>\$273,632</b>	<b>\$280,496</b>	<b>\$326,434</b>	<b>\$374,127</b>	<b>\$423,526</b>
# Component					
<b>Inventory Appendix</b>					
100 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$5,891
140 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
141 Wood Fence - Stain	\$37,374	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$0	\$0	\$9,426
175 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$5,891
200 Monument Signage - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (b)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (b)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$37,374</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,209</b>
Ending Reserve Balance	\$236,258	\$280,496	\$326,434	\$374,127	\$402,317

## Accuracy, Limitations, and Disclosures

"The 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."

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. James Talaga, company President, is a credentialed Reserve Specialist (#066). All work done by Association Reserves WA, LLC is performed under his responsible charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to: project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to, plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.



## Terms and Definitions

<b>BTU</b>	British Thermal Unit (a standard unit of energy)
<b>DIA</b>	Diameter
<b>GSF</b>	Gross Square Feet (area). Equivalent to Square Feet
<b>GSY</b>	Gross Square Yards (area). Equivalent to Square Yards
<b>HP</b>	Horsepower
<b>LF</b>	Linear Feet (length)
<b>Effective Age</b>	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
<b>Fully Funded Balance (FFB)</b>	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
<b>Inflation</b>	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 the "30-yr Income/Expense Detail" table.
<b>Interest</b>	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.
<b>Percent Funded</b>	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
<b>Remaining Useful Life (RUL)</b>	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
<b>Useful Life (UL)</b>	The estimated time, in years, that a common area component can be expected to serve its intended function.

## Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from our research and analysis. The information presented here represents a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding.

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

Not all your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above four criteria are shown with the Useful Life (how often the project is expected to occur), Remaining Useful Life (when the next instance of the expense will be) and representative market cost range termed “Best Cost” and “Worst Cost”. There are many factors that can result in a wide variety of potential costs, and we have attempted to present the cost range in which your actual expense will occur.

Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

## Inventory Appendix

**Comp #: 100 Concrete - Repair/Replace**

**Quantity: Sidewalks, etc.**

Location: Sidewalks adjacent to common areas, pads under picnic tables, mail box pads, play area curbing, etc.  
Funded?: Yes.

History: None known

Evaluation: Research with the City of Kennewick found that although sidewalks throughout community are considered public, the adjacent owner is responsible for maintenance of sidewalks which includes repair/replacement of trip hazards and tree root uplift. The City confirmed that the association is responsible for the sidewalks adjacent to common areas. Our source reported that trip hazard repairs were recently performed at the main park on S Conway Drive due to tree roof uplift. Concrete appeared generally intact at the time of our site visit, with local areas of broken curbing at playgrounds.

Due to general age and eventual wear, we suggest a rotating funding allowance to supplement the operating budget for periodic larger scale repair/replacements as reflected below.

Time larger repairs to coincide with Asphalt Seal/Repair (Component #121) and curb painting for cost efficiency when possible. As routine maintenance utilizing operating funds, inspect regularly and pressure wash for appearance. Repair promptly as needed to prevent water penetrating into the base, which can cause further damage. Factors affecting the quality of the concrete include; the preparation of the underlying soil and drainage, thickness and strength of concrete used, steel reinforcement (none likely), and amount and weight of vehicle traffic, if any.

Additional Resources:

<http://www.mrsc.org/subjects/pubworks/sidew.aspx>

[http://www.sakrete.com/media-center/blog-detail.cfm/bp\\_alias/Placing-Concrete-in-hot-or-cold-weather](http://www.sakrete.com/media-center/blog-detail.cfm/bp_alias/Placing-Concrete-in-hot-or-cold-weather)

<http://www.concretenetwork.com/cold-weather-concrete/weather.html>

Useful Life:  
10 years

Remaining Life:  
9 years



Best Case: \$ 2,000

Worst Case: \$ 3,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 120 Asphalt - Resurface**

**Quantity: Roadways, etc.**

Location: Roadways throughout association

Funded?: No. Roads are reportedly public, therefore municipality responsibility to maintain, repair and replace

History: None known

Evaluation: Roads throughout association are reportedly public, therefore they are the responsibility of the local municipality to maintain, repair and replace. No reserve funding required.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp #: 140 Wood Fence - Replace**

**Quantity: ~ 3,250 LF 6' tall wood**

Location: Partial perimeter along association at W 36th Ave & S Ely Street, going all the way to W 27th Ave

Funded?: Yes.

History: Replaced 2013

Evaluation: Six foot tall wood fence appeared generally intact, with a handful of broken/cracked boards noted. Soil was observed against bottom rail of fence in multiple areas; we recommend regrading landscaping to prevent accelerated deterioration of fencing. Fence was stained on one side. Our source reported that fencing was replaced in 2013.

Plan to replace at roughly the time frame below. Typical failures occur from deterioration through end grains, contact with ground and surrounding landscape.

As routine maintenance, inspect regularly for any damage and repair as needed. Avoid unnecessary contact with ground, sprinkler patterns and surrounding vegetation. Regular cycles of stain/paint will help to maintain appearance. Painting or staining the fence has a higher overall life cycle cost but may extend life somewhat in addition to aesthetic benefit.

Useful Life:  
20 years

Remaining Life:  
15 years



Best Case: \$ 73,100

Worst Case: \$ 102,400

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 141 Wood Fence - Stain**

**Quantity: ~ 3,250 LF 6' tall wood**

Location: Partial perimeter along association at W 36th Ave & S Ely Street, going all the way to W 27th Ave

Funded?: Yes.

History: None known

Evaluation: The finish on the wood fence appeared in generally intact condition, with minor local peeling in areas. Our source reported that fence was last stained around 2013 when fence was replaced. Fence was stained on one side only.

Regular sealer applications are recommended for the appearance, protection, and maximum useful life of the wood. Actual timing of staining will vary based on exposure and quality of material and application. In our experience, quality solid-bodied stain typically produces best result. Remove any unnecessary contact with ground and surrounding landscape and sprinkler patterns. Repair as needed and clean prior to sealer application.

There are three general options for finishing wood fences. The first and least expensive option is to leave it unfinished. The second option is regular cycles of penetrating water repellent (typically clear or semi-transparent). The third option is painting or staining. The second option typically has a shorter useful life and perhaps a lower life-cycle cost than staining/painting. Left unfinished, the wood will "gray" from its exposure to weather and often exhibit mildew - the lesser appearance may adversely affect marketability however. The third option to apply a penetrating stain is similar to painting, in that it will extend the life of the wood fence. The costs for applying the penetrating water repellent can be much less than staining, but needs to be done more often (every two to three years). Using a quality solid-bodied stain is often thought to best balance the objectives of the association and is therefore factored below.

If the wood is cedar, the Western Red Cedar Lumber Association (WRCLA) has additional information available on their website at [www.wrcla.org](http://www.wrcla.org).

Useful Life:  
5 years

Remaining Life:  
0 years



Best Case: \$ 14,600

Worst Case: \$ 21,100

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 145 Brick Columns - Replace**

**Quantity: ~ (10) brick**

Location: Adjacent to perimeter fencing

Funded?: No. Useful life not predictable

History: Added at time of 2013 fence replacement

Evaluation: Brick columns appeared generally intact, with no major damage or deterioration noted of brick or grout. Our source reported that columns were added at the time of the 2013 fence replacement.

There is no basis to expect complete replacement of these study brick structures, therefore no reserve funding included. As routine maintenance, inspect, repair and clean as needed utilizing general maintenance operating funds. Update future reserve studies should need for large scale repair or replacement arise.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp #: 160 Pole Lights - Replace**

**Quantity: Moderate quantity**

Location: Adjacent to public streets

Funded?: No. Reportedly local municipality/utility responsibility to maintain, repair and replace

History: None known

Evaluation: Commercial quality cobra head street lights are reportedly the responsibility of the local municipality/utility to maintain, repair and replace, therefore no reserve funding included.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:



**Comp #: 170 Landscape - Refurbish**

**Quantity: Trees, shrubs, turf**

Location: Common area landscaping

Funded?: Yes.

History: None known

Evaluation: Extensive common area landscaping consisting of primarily mature trees, shrubs and turf. Our source reported that trees were recently removed from the park along S Conway Drive due to tree root damage to adjacent sidewalk.

Currently, landscaping maintenance is funded out of the operating budget however we have included funding for periodic larger projects that cannot be easily absorbed into the operating budget. As associations age, many find the need or desire for larger scale refurbish projects not covered within the maintenance contract, and they allocate funds within reserves. These types of projects can include: bed renovations, major replanting, large scale bark or mulch replacements, turf renovations, drainage improvements, irrigation system extensions / replacement, etc.

Walk area each year with landscape contractor and perhaps landscape architect to assess the overall health, function and future needs of maintenance and refurbish to determine how much supplemental reserve funding should be planned for.

Useful Life:  
5 years

Remaining Life:  
4 years



Best Case: \$ 3,000

Worst Case: \$ 5,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 175 Irrigation System - Repair/Replace**

**Quantity: Extensive system**

Location: Common area landscaping

Funded?: Yes.

History: None known

Evaluation: Our visual observation of the irrigation system was limited as the majority of system components are below grade. No reports of repairs or problems. At the time of this study, no information (plans and/or specifications) was provided to us regarding the extent of the irrigation system.

No predictable large-scale costs at this time, however we have included funding for periodic projects that are too large to be comfortably absorbed into the operating budget. Have your landscaper or irrigation specialist periodically unearth sections to check lines for any damage or deterioration. PVC can eventually become brittle and leak (typically not before the 40 year mark of life).

As routine maintenance, inspect, test, and repair system as needed from operating budget. Follow proper winterization and spring startup procedures. If properly installed and bedded without defect, the lines could last for many years. Controls for the system can vary greatly in number, cost, and life expectancy - typically each controller is less than \$500. Other elements (i.e. sprinkler heads, valves) within this system are generally lower cost and have a failure rate that is difficult to predict. These elements are better suited to be handled through the maintenance and operating budget, not reserves.

Useful Life:  
5 years

Remaining Life:  
4 years



Best Case: \$ 2,000

Worst Case: \$ 3,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 200 Monument Signage - Replace**

**Quantity: ~ (1) masonry, (1) rock**

Location: Entry/exits to association along S Ely Street & W 36th Ave

Funded?: Yes.

History: None known

Evaluation: Association featured two monument signs; one large masonry and stucco sign at the S Ely Street entrance, and an engraved rock at the W 36th Ave entrance. Both signs appeared clean and legible with no problems noted or reported.

Reserve funding recommended for regular intervals of replacement to maintain a consistent, quality appearance.

Inspect periodically, repair, clean, and touch up for appearance as needed using general maintenance funds.

Useful Life:  
25 years

Remaining Life:  
10 years



Best Case: \$ 3,500

Worst Case: \$ 5,500

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 205 Mailboxes - Replace**

**Quantity: ~ (14) mail, (1) parcel**

Location: Adjacent to streets throughout association

Funded?: Yes.

History: Manufacture dates 1998-2000

Evaluation: Mailboxes were older models with manufacture dates ranging from 1998-2000 (two sets and parcel locker appeared older). Mailboxes are not protected from the elements by a structure.

In our experience, it is best to plan for total replacement at roughly the time frame below due to constant usage and wear over time.

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

Note: USPS has a limited budget for replacement and should not be relied upon for purposes of long term financial planning.

Useful Life:  
25 years

Remaining Life:  
6 years



Best Case: \$ 19,600

Worst Case: \$ 25,200

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 340 Play Equipment - Replace (a)**

**Quantity: ~ (1) metal (1) tireswing**

Location: Main park along S Conway Drive

Funded?: Yes.

History: Replaced 2014

Evaluation: This component represents the large metal and plastic play structure at the main park on S Conway Drive which was reportedly replaced in 2014. See next component for additional equipment.

Replacement cycles vary depending on the amount of use/abuse, however expect extensive park area renovation at roughly the time frame listed below. Inspect for stability, damage and excessive wear and utilize maintenance funds for any repairs needed between replacement cycles.

Resource (although not public, this document is a good guideline):

<http://www.cpsc.gov/PageFiles/122149/325.pdf>

Note: Tire swing was reportedly not replaced during the 2014 equipment replacement project, however replacement is included within funding allowances.

Useful Life:  
25 years

Remaining Life:  
20 years



Best Case: \$ 30,000

Worst Case: \$ 40,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History



**Comp #: 340 Play Equipment - Replace (b)**

**Quantity: ~ (1) metal, (1) swing**

Location: Parks on S Dennis Ct & S Buntin Street  
Funded?: Yes.

History: Original to 2001 construction

Evaluation: This component represents the play equipment at S Dennis Ct and the swings at S Buntin Street, which are reportedly original to 2001 construction. Equipment appeared intact at the time of our site visit, with no major damage or deterioration noted or reported. See prior component for additional equipment and equipment maintenance/replacement details.

Useful Life:  
25 years

Remaining Life:  
7 years



Best Case: \$ 30,000

Worst Case: \$ 40,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 346 Site Furniture - Replace (a)**

**Quantity: ~ (3) picnic tables**

Location: Main park on S Conway Drive and park on S Dennis Ct  
Funded?: Yes.

History: Installed 2017 \$1,521.89

Evaluation: This component represents the picnic tables which were reportedly installed in 2017 at a cost of \$1,521.89. See next component for additional site furniture.

Inspect regularly and repair as needed. Clean with an appropriate cleaner (refinish if desired) using general maintenance funds.

Useful Life:  
25 years

Remaining Life:  
23 years



Best Case: \$ 2,400

Worst Case: \$ 3,600

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 346 Site Furniture - Replace (b)**

**Quantity: ~ (9) assorted**

Location: Throughout common area parks

Funded?: Yes.

History: None known

Evaluation: This component represents the older site furniture within the community, which includes 5 metal benches, 1 metal picnic table and 3 metal trash cans. All appeared generally intact with no major damage or deterioration noted.

See prior component for additional furniture and furniture maintenance/replacement details.

Useful Life:  
25 years

Remaining Life:  
7 years



Best Case: \$ 5,900

Worst Case: \$ 6,700

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 350 Pet Stations - Replace**

**Quantity: ~ (3) pet stations**

Location: One at each common area park

Funded?: No. Cost projected to be too small to qualify for reserve funding

History: Installed 2017

Evaluation: Our source reported that pet stations were added to common area parks in 2017. Stations appeared intact, with no major damage or deterioration noted.

There is no predictable basis for wide scale replacement of pet stations, and cost of individual replacement is projected to be too small to qualify for reserve funding. Therefore, inspect, repair and replace utilizing general maintenance operating funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp #: 599 Reserve Study - Update**

**Quantity: Annual update**

Location: Association limited common elements

Funded?: No. Annual cost; best handled as operating expense

History: 2014 FULL, 2019 WSV

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:

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