

The Woods Reserve Study

30-Year Comprehensive Study
A “Road Map” for Park Sustainment

Report from the Operations Committee

12.09.2024

The Reserve Study

Reserve Study Purpose

- Provide a comprehensive list of the park's capital resources and, estimated "life"
- Analyze the investments/revenue required to support the capital requirements and relative "risk" of inadequately funding these requirements
- Comply with Davis-Sterling requirements for a thirty-year Reserve Study and to make residents aware of the study
- Provide a "road map" for future maintenance and budget requirements
- Develop strategies for cost containment, funding, long term maintenance planning and avoid risk for resident special assessments

Association Reserves (AR)

- Solicited 3 corporations
- One initially responded with interest, but no final proposal
- One initially responded, then withdrew, then submitted an abbreviated “boilerplate” response
- AR responded with interest and on-going communications
 - 80,000+ studies
 - Extensive range of organizations and geographical locations

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The Woods at Little River
Little River, CA



Report #: 51033-0
Beginning: January 1, 2025
Expires: December 31, 2025

RESERVE STUDY
"Full"

November 8, 2024

Reserve Study 1st draft

- Extensive and comprehensive study
- From “small items” (e.g. mail boxes) to roads, sewer and much more
- 197 line items
- An opportunity to ask questions and understand methodology
- Suggest changes and understand consequences
- An opportunity to utilize “uPlanIt” software to do what-if scenarios
- Effective communications with AR leading to final study
- Contract includes a Loyalty Update Plan with additional reviews by AR for years 2 and 3

Sample of Items in Reserve Study

- Streets and walkways
- Sewer system
- Pool and building
- Clubhouse & Lodge
- Roofs, windows, floors
- Utilities to units
- Vehicles and equipment
- Painting & maintenance
- Appliances, doors, lights

Executive Summary Table		Report # 51033-0 Full		
#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Grounds				
103	Concrete Walkways - Repair	20	0	\$75,000
202	Asphalt - Partial Repave	5	1	\$104,000
209	Pavers - Replace	30	22	\$12,500
320	Pole Lights - Partial Repair/Replace	1	0	\$1,000
322	Wood Pole Lights - Replace	25	3	\$13,500
326	Sign Lights - Replace	20	16	\$1,350
403	Mailboxes - Replace	20	18	\$25,950
409	Benches - Replace	25	10	\$26,400
410	Recycle Station - Replace	15	12	\$1,500
412	Mailbox Structures - Repl/Rebuild	20	18	\$36,000
418	Dog Stations - Replace	15	6	\$6,000
505	Perimeter Wood Fence - Partial Replace	6	4	\$12,850
513	Split/Single Rail Fence - Replace	25	10	\$6,500
705	Gate Operators - Replace	20	0	\$12,000
709	Vehicle Gates - Replace	40	20	\$20,000
916	Exercise Stations - Replace	25	14	\$22,500
1402	Wood Directional/Street Signs - Replace	25	10	\$16,000
1403	Monument Signs - Replace	20	16	\$10,000

Final Reserve Study

- Corrected assumptions about beginning balance (adding in “sweeps” from general budget)
- Removed assumption of special assessment in first year of \$2000 per household, with adjustments to regular assessments (see next page)
- Represents what AR considers a responsible plan for for funding reserves (including spending and assessments for 2025 that are not budgeted)
- Followed by Committee efforts to review alternatives for responsible reserve funding
- The Reserve Study will be a “living document,” updated with real costs and infrastructure work each year

Regular vs Special Assessments

Regular Reserves Assessment:

A monthly recurring assessment levied on members of an association to fund the replacement reserves account. May be embedded in the monthly carrying charges amount (as it currently is at The Woods) or billed as a separate item on the members' monthly carrying charges invoice (like the monthly sewer assessment).

Special Reserves Assessment:

A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

Special assessments are used to cover unexpected repairs that were not anticipated or included in the reserve study, such as sudden structural damage, emergency replacements, unforeseen catastrophes and accidents, as well as other surprises.

Reserve Study - Summary

- Showed a significant shortage in reserve funds (no surprise)
- Suggested significant increase in regular assessments over the first 5 years, with the largest in year 1 (\$62/mo/household in first year, plus \$145 more over 4 years, for a total increase of \$207/mo/household) followed by regular assessments increasing 2.75% after that. This results in a total monthly deposit to reserves of \$14,715/mo (vs current \$7996/mo) in 2025.
- Still showed significant risk of special assessment until 2033, with medium risk through 2044
- Shows spending for 2025 that is not budgeted (based on consultant's recognition of needed work based on each component's life expectancy)

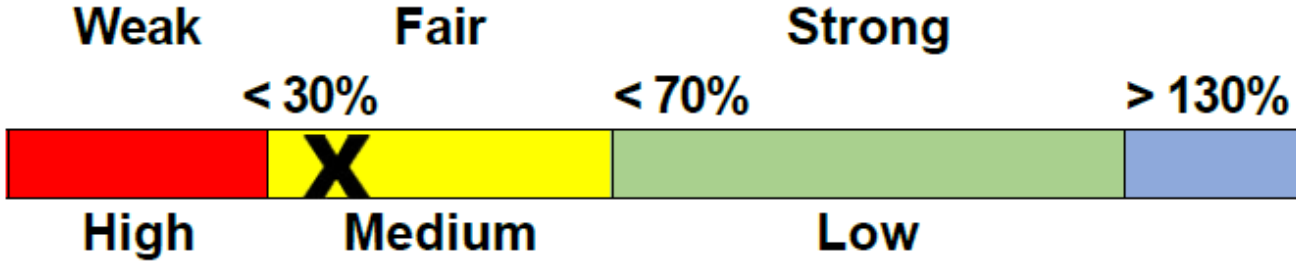
Reserve Study - Executive Summary

Findings & Recommendations

as of January 1, 2025

Projected Starting Reserve Balance	\$897,344
Current Fully Funded Reserve Balance	\$2,405,084
Average Reserve Deficit (Surplus) Per Unit	\$13,832
Percent Funded	37.3 %
Recommended 2025 "Monthly Fully Funding Contributions"	\$14,715
Recommended 2025 Special Assessments for Reserves	\$0
2024 Monthly Contribution Rate	\$7,996

Reserve Fund Strength: 37.3%



Risk of Special Assessment:

Economic Assumptions:

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

Risk Assessment (AR Final Study)

Fiscal Year Start: 2025				Interest: 3.00 %		Inflation: 3.00 %			
Reserve Fund Strength: as-of Fiscal Year Start Date				Projected Reserve Balance Changes					
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2025	\$897,344	\$2,405,084	37.3 %	Medium	84.04 %	\$176,580	\$0	\$21,710	\$543,720
2026	\$551,914	\$2,171,565	25.4 %	High	20.00 %	\$211,896	\$0	\$11,193	\$579,761
2027	\$195,242	\$1,905,241	10.2 %	High	20.00 %	\$254,275	\$0	\$6,719	\$202,971
2028	\$253,264	\$2,026,990	12.5 %	High	20.00 %	\$305,130	\$0	\$9,339	\$197,565
2029	\$370,168	\$2,166,171	17.1 %	High	20.00 %	\$366,156	\$0	\$13,865	\$194,826
2030	\$555,364	\$2,320,804	23.9 %	High	2.75 %	\$376,226	\$0	\$17,295	\$349,689
2031	\$599,196	\$2,329,277	25.7 %	High	2.75 %	\$386,572	\$0	\$19,544	\$299,856
2032	\$705,455	\$2,398,302	29.4 %	High	2.75 %	\$397,203	\$0	\$25,440	\$135,286
2033	\$992,812	\$2,648,145	37.5 %	Medium	2.75 %	\$408,126	\$0	\$33,741	\$175,131
2034	\$1,259,547	\$2,873,961	43.8 %	Medium	2.75 %	\$419,349	\$0	\$39,971	\$310,145
2035	\$1,408,722	\$2,977,289	47.3 %	Medium	2.75 %	\$430,881	\$0	\$41,086	\$546,692
2036	\$1,333,998	\$2,850,171	46.8 %	Medium	2.75 %	\$442,730	\$0	\$40,192	\$467,919
2037	\$1,349,001	\$2,810,775	48.0 %	Medium	2.75 %	\$454,905	\$0	\$38,709	\$607,617
2038	\$1,234,999	\$2,637,020	46.8 %	Medium	2.75 %	\$467,415	\$0	\$42,190	\$163,228
2039	\$1,581,376	\$2,926,806	54.0 %	Medium	2.75 %	\$480,269	\$0	\$52,555	\$187,296
2040	\$1,926,904	\$3,211,859	60.0 %	Medium	2.75 %	\$493,477	\$0	\$58,728	\$485,650
2041	\$1,993,458	\$3,209,864	62.1 %	Medium	2.75 %	\$507,047	\$0	\$59,237	\$598,836
2042	\$1,960,906	\$3,103,283	63.2 %	Medium	2.75 %	\$520,991	\$0	\$64,866	\$177,557
2043	\$2,369,206	\$3,439,841	68.9 %	Medium	2.75 %	\$535,318	\$0	\$74,902	\$348,573
2044	\$2,630,853	\$3,623,138	72.6 %	Low	2.75 %	\$550,040	\$0	\$85,158	\$212,174
2045	\$3,053,876	\$3,965,600	77.0 %	Low	2.75 %	\$565,166	\$0	\$87,412	\$925,162
2046	\$2,781,291	\$3,597,527	77.3 %	Low	2.75 %	\$580,708	\$0	\$82,820	\$697,471
2047	\$2,747,348	\$3,466,910	79.2 %	Low	2.75 %	\$596,677	\$0	\$82,560	\$662,627
2048	\$2,763,959	\$3,382,660	81.7 %	Low	2.75 %	\$613,086	\$0	\$90,539	\$187,609
2049	\$3,279,974	\$3,799,977	86.3 %	Low	2.75 %	\$629,946	\$0	\$107,357	\$130,607
2050	\$3,886,671	\$4,303,799	90.3 %	Low	2.75 %	\$647,269	\$0	\$119,510	\$562,221
2051	\$4,091,229	\$4,393,903	93.1 %	Low	2.75 %	\$665,069	\$0	\$121,141	\$881,884
2052	\$3,995,555	\$4,173,660	95.7 %	Low	2.75 %	\$683,358	\$0	\$127,901	\$264,333
2053	\$4,542,481	\$4,599,576	98.8 %	Low	2.75 %	\$702,151	\$0	\$141,452	\$485,956
2054	\$4,900,128	\$4,827,186	101.5 %	Low	2.75 %	\$721,460	\$0	\$154,283	\$376,815

Ops Committee Approach

Committee Approach

- Accept the line items, costs, and work schedule suggested by AR as reasonable and necessary. We will need to update the work schedule shown in the study each year, to recognize high-priority repairs and existing budget. (About \$150K of items are “esthetic” upgrades.)
- Recognize that 100% funding (the goal of AR’s report) may not be necessary. We would be comfortable at a level closer to 75% funding than 100 (staying in the upper “medium to low” risk for assessment).
- Consider ways we can avoid hardship on members (high assessments) while still achieving responsible funding
- Present the Board with considerations and options for funding

Budget Considerations

- Many line items in the report are currently accounted for under the O&M budget. The items total about \$277K over the 30 year period, per a line-by-line review by Shaun Lindeblad. We want to avoid double-accounting for those items.
- A significant part of the sewer assessment of \$82/mo/household (at least \$62K of \$107K/yr, which is the Rittiman contract + pump out fees) can be understood as reserve assessments. We should account for the appropriate amount as reserve funding.
- The report includes work on the Lodge (just enough to keep it from deteriorating) for the next 30 years, and much of that work is scheduled for many years in the future. A better mental model might be to account only for costs during the next 5 years, after which the Lodge will, we assume, have a different use and separate budget.

The scenarios that follow look at the implications of accounting for these facts in different ways.

Additional Considerations

Facts that should also be considered as part of the reserve budget thinking, but do not affect the scenarios that follow:

- Per WCA budget, we will not be spending the budgeted reserve costs in 2025.
- For the past 2 years, \$75K from budget surplus has been moved into reserve funding.
- Most of the current reserve funding is based on a ROC loan of \$750K, with a balloon payment of \$637K due in 2031. (The monthly loan payment of \$2,473 is currently paid from WCA's operating budget.)
- Our reserve capital has actually increased over time by nearly \$150K (we have been spending some reserve costs as part of O&M, and some work has been deferred due to insufficient reserve funding).
- Additional funding sources may be found from Development Committee fundraising.

Funding Scenarios

Additional Scenarios

The following pages show risk charts* for a variety of the variables described above:

- With MORE
- Without Lodge costs after 5 years
- With sewer assessment added to reserve funding
- With items currently accounted for in O&M subtracted from reserve costs
- With different assessment levels

*created with AR's UPlanIt tool

With MORE, AR-suggested Assessments

- x Add MORE
- x Maintain AR sugg for up-front assessments
- Remove Lodge costs after 5 years
- Subtract O&M costs (\$277K)
- Add sewer funding

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)				Interest:	3.0%	Inflation:	3.0%		
				Projected Reserve Balance Changes					
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan Special Assmt	Interest Income	Reserve Expenses
2025	\$1,593,505	\$2,405,084	66.3%	Medium	84.04%	\$176,580	\$0	\$42,885	\$543,720
2026	\$1,269,250	\$2,171,565	58.4%	Medium	20.00%	\$211,896	\$0	\$33,011	\$579,761
2027	\$934,395	\$1,905,241	49.0%	Medium	20.00%	\$254,275	\$0	\$29,201	\$202,971
2028	\$1,014,900	\$2,026,990	50.1%	Medium	20.00%	\$305,130	\$0	\$32,505	\$197,565
2029	\$1,154,970	\$2,166,171	53.3%	Medium	20.00%	\$366,156	\$0	\$37,735	\$194,826
2030	\$1,364,036	\$2,320,804	58.8%	Medium	2.75%	\$376,226	\$0	\$41,892	\$349,689
2031	\$1,432,464	\$2,329,277	61.5%	Medium	2.75%	\$386,572	\$0	\$44,889	\$299,856
2032	\$1,564,068	\$2,398,302	65.2%	Medium	2.75%	\$397,203	\$0	\$51,556	\$135,286
2033	\$1,877,540	\$2,648,145	70.9%	Low	2.75%	\$408,126	\$0	\$60,651	\$175,131
2034	\$2,171,186	\$2,873,961	75.5%	Low	2.75%	\$419,349	\$0	\$67,699	\$310,145
2035	\$2,348,089	\$2,977,289	78.9%	Low	2.75%	\$430,881	\$0	\$69,658	\$546,692
2036	\$2,301,937	\$2,850,171	80.8%	Low	2.75%	\$442,730	\$0	\$69,633	\$467,919
2037	\$2,346,380	\$2,810,775	83.5%	Low	2.75%	\$454,905	\$0	\$69,045	\$607,617
2038	\$2,262,714	\$2,637,020	85.8%	Low	2.75%	\$467,415	\$0	\$73,449	\$163,228
2039	\$2,640,351	\$2,926,806	90.2%	Low	2.75%	\$480,269	\$0	\$84,764	\$187,296
2040	\$3,018,088	\$3,211,859	94.0%	Low	2.75%	\$493,477	\$0	\$91,917	\$485,650
2041	\$3,117,832	\$3,209,864	97.1%	Low	2.75%	\$507,047	\$0	\$93,436	\$598,836
2042	\$3,119,479	\$3,103,283	100.5%	Low	2.75%	\$520,991	\$0	\$100,105	\$177,557
2043	\$3,563,018	\$3,439,841	103.6%	Low	2.75%	\$535,318	\$0	\$111,213	\$348,573
2044	\$3,860,976	\$3,623,138	106.6%	Low	2.75%	\$550,040	\$0	\$122,574	\$212,174
2045	\$4,321,415	\$3,965,600	109.0%	Low	2.75%	\$565,166	\$0	\$125,965	\$925,162
2046	\$4,087,383	\$3,597,527	113.6%	Low	2.75%	\$580,708	\$0	\$122,546	\$697,471
2047	\$4,093,166	\$3,466,910	118.1%	Low	2.75%	\$596,677	\$0	\$123,495	\$662,627
2048	\$4,150,711	\$3,382,660	122.7%	Low	2.75%	\$613,086	\$0	\$132,718	\$187,609
2049	\$4,708,906	\$3,799,977	123.9%	Low	2.75%	\$629,946	\$0	\$150,820	\$130,607
2050	\$5,359,064	\$4,303,799	124.5%	Low	2.75%	\$647,269	\$0	\$164,294	\$562,221
2051	\$5,608,407	\$4,393,903	127.6%	Low	2.75%	\$665,069	\$0	\$167,288	\$881,884
2052	\$5,558,879	\$4,173,660	133.2%	Low	2.75%	\$683,358	\$0	\$175,451	\$264,333
2053	\$6,153,356	\$4,599,575	133.8%	Low	2.75%	\$702,151	\$0	\$190,448	\$485,956
2054	\$6,559,999	\$4,827,186	135.9%	Low	2.75%	\$721,460	\$0	\$204,770	\$376,815

With MORE, w/o Lodge, No Assessments

- x Add MORE
- Maintain AR sugg for up-front assessments
- x Remove Lodge costs after 5 years
- Subtract O&M costs (\$277K)
- Add sewer funding

		Interest: 3.0%		Inflation: 3.0%						
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 In Annual Reserve Funding	Reserve Funding	Loan	Special Assmt	Interest Income	Reserve Expenses
2025	\$1,593,505	\$1,837,715	86.7%	Low	0%	\$95,952	\$0	\$0	\$42,723	\$473,720
2026	\$1,258,460	\$1,631,069	77.2%	Low	0.00%	\$95,952	\$0	\$0	\$34,110	\$369,976
2027	\$1,018,546	\$1,531,863	66.5%	Medium	0.00%	\$95,952	\$0	\$0	\$29,352	\$202,971
2028	\$940,879	\$1,608,684	58.5%	Medium	0.00%	\$95,952	\$0	\$0	\$27,072	\$197,565
2029	\$866,338	\$1,700,577	50.9%	Medium	0.00%	\$95,952	\$0	\$0	\$24,847	\$194,826
2030	\$792,312	\$1,805,461	43.9%	Medium	0.00%	\$95,952	\$0	\$0	\$23,544	\$132,412
2031	\$779,396	\$1,985,414	39.3%	Medium	0.00%	\$95,952	\$0	\$0	\$21,055	\$270,274
2032	\$626,129	\$2,036,633	30.7%	Medium	0.00%	\$95,952	\$0	\$0	\$18,446	\$135,286
2033	\$605,241	\$2,236,527	27.1%	High	0.00%	\$95,952	\$0	\$0	\$17,205	\$175,131
2034	\$543,267	\$2,409,722	22.5%	High	0.00%	\$95,952	\$0	\$0	\$14,904	\$202,501
2035	\$451,622	\$2,568,516	17.6%	High	0.00%	\$95,952	\$0	\$0	\$7,118	\$531,170
2036	\$23,522	\$2,402,398	1.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$392,790
2037	-\$273,316	\$2,382,945	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$607,617
2038	-\$784,981	\$2,151,029	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$163,228
2039	-\$852,256	\$2,379,549	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$187,296
2040	-\$943,601	\$2,600,097	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$485,650
2041	-\$1,333,298	\$2,530,220	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$407,595
2042	-\$1,644,942	\$2,549,213	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$177,557
2043	-\$1,726,547	\$2,816,602	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$348,573
2044	-\$1,979,168	\$2,927,081	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$212,174
2045	-\$2,095,390	\$3,192,915	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$925,162
2046	-\$2,924,601	\$2,744,243	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$533,998
2047	-\$3,362,646	\$2,697,264	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$662,627
2048	-\$3,929,321	\$2,529,009	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$187,609
2049	-\$4,020,978	\$2,857,975	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$130,607
2050	-\$4,055,633	\$3,268,912	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$562,221
2051	-\$4,521,903	\$3,261,406	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$429,916
2052	-\$4,855,867	\$3,404,154	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$264,333
2053	-\$5,024,249	\$3,736,367	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$485,956
2054	-\$5,414,252	\$3,865,345	0.0%	High	0.00%	\$95,952	\$0	\$0	\$0	\$376,815

W/ MORE, No Lodge, No Assessments, Add Sewage Fee to Reserve

- x Add MORE
- Maintain AR sugg for up-front assessments
- x Remove Lodge costs after 5 years
- Subtract O&M costs (\$277K)
- x Add sewer funding

Sewage fee addition of \$62K is shown as a 64.62% assessment in year 1 added to funding, due to limitations of the UPlanIt tool.

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)				Interest:	3.0%	Inflation:	3.0%		
				Projected Reserve Balance Changes					
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan Special Assmt	Interest Income	Reserve Expenses
2025	\$1,593,505	\$1,851,315	86.1%	Low	0%	\$95,952	\$0	\$42,723	\$473,720
2026	\$1,258,460	\$1,646,776	76.4%	Low	64.61%	\$157,947	\$0	\$34,833	\$384,396
2027	\$1,066,844	\$1,534,940	69.5%	Medium	0.00%	\$157,947	\$0	\$31,764	\$202,971
2028	\$1,053,583	\$1,613,656	65.3%	Medium	0.00%	\$157,947	\$0	\$31,443	\$197,565
2029	\$1,045,408	\$1,707,555	61.2%	Medium	0.00%	\$157,947	\$0	\$31,236	\$194,826
2030	\$1,039,765	\$1,814,561	57.3%	Medium	0.00%	\$157,947	\$0	\$32,014	\$132,412
2031	\$1,097,314	\$1,996,757	55.0%	Medium	0.00%	\$157,947	\$0	\$31,622	\$273,259
2032	\$1,013,623	\$2,047,271	49.5%	Medium	0.00%	\$157,947	\$0	\$31,175	\$135,286
2033	\$1,067,459	\$2,249,575	47.5%	Medium	0.00%	\$157,947	\$0	\$32,206	\$175,131
2034	\$1,082,481	\$2,425,314	44.6%	Medium	0.00%	\$157,947	\$0	\$32,247	\$202,501
2035	\$1,070,174	\$2,586,794	41.4%	Medium	0.00%	\$157,947	\$0	\$26,874	\$531,170
2036	\$723,825	\$2,423,508	29.9%	High	0.00%	\$157,947	\$0	\$18,150	\$412,169
2037	\$487,752	\$2,387,080	20.4%	High	0.00%	\$157,947	\$0	\$7,997	\$607,617
2038	\$46,079	\$2,157,711	2.1%	High	0.00%	\$157,947	\$0	\$1,321	\$163,228
2039	\$42,119	\$2,388,927	1.8%	High	0.00%	\$157,947	\$0	\$835	\$187,296
2040	\$13,604	\$2,612,327	0.5%	High	0.00%	\$157,947	\$0	\$0	\$485,650
2041	-\$314,099	\$2,545,465	0.0%	High	0.00%	\$157,947	\$0	\$0	\$411,607
2042	-\$567,759	\$2,563,510	0.0%	High	0.00%	\$157,947	\$0	\$0	\$177,557
2043	-\$587,370	\$2,834,137	0.0%	High	0.00%	\$157,947	\$0	\$0	\$348,573
2044	-\$777,997	\$2,948,035	0.0%	High	0.00%	\$157,947	\$0	\$0	\$212,174
2045	-\$832,224	\$3,217,478	0.0%	High	0.00%	\$157,947	\$0	\$0	\$925,162
2046	-\$1,599,440	\$2,772,612	0.0%	High	0.00%	\$157,947	\$0	\$0	\$560,042
2047	-\$2,001,535	\$2,702,821	0.0%	High	0.00%	\$157,947	\$0	\$0	\$662,627
2048	-\$2,506,215	\$2,537,989	0.0%	High	0.00%	\$157,947	\$0	\$0	\$187,609
2049	-\$2,535,878	\$2,870,578	0.0%	High	0.00%	\$157,947	\$0	\$0	\$130,607
2050	-\$2,508,538	\$3,285,348	0.0%	High	0.00%	\$157,947	\$0	\$0	\$562,221
2051	-\$2,912,813	\$3,281,893	0.0%	High	0.00%	\$157,947	\$0	\$0	\$435,308
2052	-\$3,190,174	\$3,423,368	0.0%	High	0.00%	\$157,947	\$0	\$0	\$264,333
2053	-\$3,296,561	\$3,759,932	0.0%	High	0.00%	\$157,947	\$0	\$0	\$485,956
2054	-\$3,624,571	\$3,893,506	0.0%	High	0.00%	\$157,947	\$0	\$0	\$376,815

W/ MORE, No Lodge, Remove O&M Costs, Add Sewer, 3% Assessments Starting Year 3

- x Add MORE
- Maintain AR sugg for up-front assessments
- x Remove Lodge costs after 5 years
- x Subtract O&M costs (\$277K)
- x Add sewer funding

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)							Interest:	3.0%	Inflation:	3.0%	
							Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan Special Assmt	Interest Income	Reserve Expenses		
2025	\$1,593,505	\$1,614,560	98.7%	Low	0%	\$95,952	\$0	\$43,844	\$399,980		
2026	\$1,333,321	\$1,430,816	93.2%	Low	64.61%	\$157,947	\$0	\$37,661	\$348,217		
2027	\$1,180,711	\$1,300,270	90.8%	Low	3.00%	\$162,685	\$0	\$36,328	\$135,392		
2028	\$1,244,332	\$1,390,573	89.5%	Low	3.00%	\$167,566	\$0	\$38,131	\$148,939		
2029	\$1,301,089	\$1,475,355	88.2%	Low	3.00%	\$172,593	\$0	\$39,805	\$157,402		
2030	\$1,356,084	\$1,559,857	86.9%	Low	3.00%	\$177,770	\$0	\$42,898	\$69,209		
2031	\$1,507,544	\$1,743,804	86.5%	Low	3.00%	\$183,103	\$0	\$45,406	\$212,511		
2032	\$1,523,542	\$1,791,921	85.0%	Low	3.00%	\$188,596	\$0	\$47,637	\$103,309		
2033	\$1,656,466	\$1,960,400	84.5%	Low	3.00%	\$194,254	\$0	\$51,508	\$120,292		
2034	\$1,781,935	\$2,123,075	83.9%	Low	3.00%	\$200,082	\$0	\$54,678	\$168,577		
2035	\$1,868,119	\$2,247,731	83.1%	Low	3.00%	\$206,084	\$0	\$54,119	\$383,728		
2036	\$1,744,594	\$2,161,557	80.7%	Low	3.00%	\$212,267	\$0	\$50,763	\$363,548		
2037	\$1,644,076	\$2,100,834	78.3%	Low	3.00%	\$218,635	\$0	\$45,461	\$517,508		
2038	\$1,390,663	\$1,887,176	73.7%	Low	3.00%	\$225,194	\$0	\$43,858	\$122,623		
2039	\$1,537,093	\$2,081,531	73.8%	Low	3.00%	\$231,950	\$0	\$48,216	\$135,679		
2040	\$1,681,580	\$2,276,189	73.9%	Low	3.00%	\$238,908	\$0	\$48,414	\$418,626		
2041	\$1,550,276	\$2,193,412	70.7%	Low	3.00%	\$246,076	\$0	\$45,831	\$333,017		
2042	\$1,509,166	\$2,204,732	68.5%	Medium	3.00%	\$253,458	\$0	\$47,849	\$125,492		
2043	\$1,684,980	\$2,438,797	69.1%	Medium	3.00%	\$261,062	\$0	\$52,674	\$167,451		
2044	\$1,831,264	\$2,645,582	69.2%	Medium	3.00%	\$268,893	\$0	\$57,522	\$149,048		
2045	\$2,008,632	\$2,886,709	69.6%	Medium	3.00%	\$276,960	\$0	\$52,439	\$846,127		
2046	\$1,491,904	\$2,426,537	61.5%	Medium	3.00%	\$285,269	\$0	\$42,409	\$480,468		
2047	\$1,339,115	\$2,338,931	57.3%	Medium	3.00%	\$293,827	\$0	\$37,132	\$530,416		
2048	\$1,139,659	\$2,207,284	51.6%	Medium	3.00%	\$302,642	\$0	\$37,194	\$136,296		
2049	\$1,343,198	\$2,487,967	54.0%	Medium	3.00%	\$311,721	\$0	\$44,482	\$73,181		
2050	\$1,626,221	\$2,852,725	57.0%	Medium	3.00%	\$321,073	\$0	\$47,166	\$472,147		
2051	\$1,522,313	\$2,828,455	53.8%	Medium	3.00%	\$330,705	\$0	\$46,184	\$338,531		
2052	\$1,560,671	\$2,952,375	52.9%	Medium	3.00%	\$340,626	\$0	\$49,829	\$185,478		
2053	\$1,765,648	\$3,249,291	54.3%	Medium	3.00%	\$350,845	\$0	\$53,625	\$356,024		
2054	\$1,814,094	\$3,391,432	53.5%	Medium	3.00%	\$361,370	\$0	\$55,874	\$315,544		

W/O MORE, No Lodge, Remove O&M Costs, Add Sewer, 4.5% Assessments Each Year (for 20 years)

- Add MORE
- Maintain AR sugg for up-front assessments
- x Remove Lodge costs after 5 years
- x Subtract O&M costs (\$277K)
- x Add sewer funding

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)					Interest:	3.0%	Inflation:	3.0%	
					Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan Special Assmt	Interest Income	Reserve Expenses
2025	\$897,344	\$1,614,560	55.6%	Medium	0%	\$95,952	\$0	\$22,670	\$399,980
2026	\$615,986	\$1,430,816	43.1%	Medium	64.61%	\$157,947	\$0	\$15,842	\$348,217
2027	\$441,557	\$1,300,270	34.0%	Medium	4.50%	\$165,054	\$0	\$13,881	\$135,392
2028	\$485,101	\$1,390,573	34.9%	Medium	4.50%	\$172,482	\$0	\$15,113	\$148,939
2029	\$523,757	\$1,475,355	35.5%	Medium	4.50%	\$180,243	\$0	\$16,278	\$157,402
2030	\$562,876	\$1,559,857	36.1%	Medium	4.50%	\$188,354	\$0	\$18,932	\$69,209
2031	\$700,954	\$1,743,804	40.2%	Medium	4.50%	\$196,830	\$0	\$21,082	\$212,511
2032	\$706,354	\$1,791,921	39.4%	Medium	4.50%	\$205,688	\$0	\$23,041	\$103,309
2033	\$831,774	\$1,960,400	42.4%	Medium	4.50%	\$214,943	\$0	\$26,739	\$120,292
2034	\$953,163	\$2,123,075	44.9%	Medium	4.50%	\$224,616	\$0	\$29,844	\$168,577
2035	\$1,039,046	\$2,247,731	46.2%	Medium	4.50%	\$234,724	\$0	\$29,338	\$383,728
2036	\$919,379	\$2,161,557	42.5%	Medium	4.50%	\$245,286	\$0	\$26,165	\$363,548
2037	\$827,282	\$2,100,834	39.4%	Medium	4.50%	\$256,324	\$0	\$21,190	\$517,508
2038	\$587,288	\$1,887,176	31.1%	Medium	4.50%	\$267,859	\$0	\$20,072	\$122,623
2039	\$752,596	\$2,081,531	36.2%	Medium	4.50%	\$279,912	\$0	\$25,084	\$135,679
2040	\$921,913	\$2,276,189	40.5%	Medium	4.50%	\$292,508	\$0	\$26,123	\$418,626
2041	\$821,919	\$2,193,412	37.5%	Medium	4.50%	\$305,671	\$0	\$24,584	\$333,017
2042	\$819,157	\$2,204,732	37.2%	Medium	4.50%	\$319,426	\$0	\$27,865	\$125,492
2043	\$1,040,956	\$2,438,797	42.7%	Medium	4.50%	\$333,801	\$0	\$34,192	\$167,451
2044	\$1,241,497	\$2,645,582	46.9%	Medium	4.50%	\$348,822	\$0	\$40,799	\$149,048
2045	\$1,482,070	\$2,886,709	51.3%	Medium	4.50%	\$364,519	\$0	\$37,754	\$846,127
2046	\$1,038,216	\$2,426,537	42.8%	Medium	4.50%	\$380,922	\$0	\$30,064	\$480,468
2047	\$968,735	\$2,338,931	41.4%	Medium	0.00%	\$380,922	\$0	\$27,191	\$530,416
2048	\$846,432	\$2,207,284	38.3%	Medium	0.00%	\$380,922	\$0	\$29,465	\$136,296
2049	\$1,120,524	\$2,487,967	45.0%	Medium	0.00%	\$380,922	\$0	\$38,762	\$73,181
2050	\$1,467,027	\$2,852,725	51.4%	Medium	0.00%	\$380,922	\$0	\$43,234	\$472,147
2051	\$1,419,036	\$2,828,455	50.2%	Medium	0.00%	\$380,922	\$0	\$43,806	\$338,531
2052	\$1,505,233	\$2,952,375	51.0%	Medium	0.00%	\$380,922	\$0	\$48,755	\$185,478
2053	\$1,749,433	\$3,249,291	53.8%	Medium	0.00%	\$380,922	\$0	\$53,589	\$356,024
2054	\$1,827,920	\$3,391,432	53.9%	Medium	0.00%	\$380,922	\$0	\$56,592	\$315,544

Committee Recommendation and Next Steps

Committee Recommendation

- Avoid any assessments for a few years at least, while the accounting approach and available funding becomes better defined.
- Appropriately plan for, track, and account for the work done by WCA staff as part of the O&M budget.
- Consider the appropriate portion of the monthly sewer assessment as additional reserve funding.
- Remove any work on the Lodge scheduled past the next 5 years.
- Accept the MORE loan to avoid risk of resident assessments (planned and unplanned).
- Plan reserve funding that keeps us at or above medium risk for the duration of the study (or as much as possible).

Recommended Approach: W/ MORE, No Lodge After 5 Yrs, Remove O&M Costs, Add Sewer, Minimal Assessments*

- x Add MORE
- Maintain AR sugg for up-front assessments
- x Remove Lodge costs after 5 years
- x Subtract O&M costs (\$277K)
- x Add sewer funding

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)				Interest:	3.0%	Inflation:	3.0%		
				Projected Reserve Balance Changes					
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan Special Assmt	Interest Income	Reserve Expenses
2025	\$1,593,505	\$1,614,560	98.7%	Low	0%	\$95,952	\$0	\$43,844	\$399,980
2026	\$1,333,321	\$1,430,816	93.2%	Low	64.61%	\$157,947	\$0	\$37,661	\$348,217
2027	\$1,180,711	\$1,300,270	90.8%	Low	3.00%	\$162,685	\$0	\$36,328	\$135,392
2028	\$1,244,332	\$1,390,573	89.5%	Low	3.00%	\$167,566	\$0	\$38,131	\$148,939
2029	\$1,301,089	\$1,475,355	88.2%	Low	3.00%	\$172,593	\$0	\$39,805	\$157,402
2030	\$1,356,084	\$1,559,857	86.9%	Low	3.00%	\$177,770	\$0	\$42,898	\$69,209
2031	\$1,507,544	\$1,743,804	86.5%	Low	3.00%	\$183,103	\$0	\$45,406	\$212,511
2032	\$1,523,542	\$1,791,921	85.0%	Low	3.00%	\$188,596	\$0	\$47,637	\$103,309
2033	\$1,656,466	\$1,960,400	84.5%	Low	3.00%	\$194,254	\$0	\$51,508	\$120,292
2034	\$1,781,935	\$2,123,075	83.9%	Low	3.00%	\$200,082	\$0	\$54,678	\$168,577
2035	\$1,868,119	\$2,247,731	83.1%	Low	3.00%	\$206,084	\$0	\$54,119	\$383,728
2036	\$1,744,594	\$2,161,557	80.7%	Low	3.00%	\$212,267	\$0	\$50,763	\$363,548
2037	\$1,644,076	\$2,100,834	78.3%	Low	3.00%	\$218,635	\$0	\$45,461	\$517,508
2038	\$1,390,663	\$1,887,176	73.7%	Low	3.00%	\$225,194	\$0	\$43,858	\$122,623
2039	\$1,537,093	\$2,081,531	73.8%	Low	3.00%	\$231,950	\$0	\$48,216	\$135,679
2040	\$1,681,580	\$2,276,189	73.9%	Low	3.00%	\$238,908	\$0	\$48,414	\$418,626
2041	\$1,550,276	\$2,193,412	70.7%	Low	3.00%	\$246,076	\$0	\$45,831	\$333,017
2042	\$1,509,166	\$2,204,732	68.5%	Medium	3.00%	\$253,458	\$0	\$47,849	\$125,492
2043	\$1,684,980	\$2,438,797	69.1%	Medium	3.00%	\$261,062	\$0	\$52,674	\$167,451
2044	\$1,831,264	\$2,645,582	69.2%	Medium	3.00%	\$268,893	\$0	\$57,522	\$149,048
2045	\$2,008,632	\$2,886,709	69.6%	Medium	3.00%	\$276,960	\$0	\$52,439	\$846,127
2046	\$1,491,904	\$2,426,537	61.5%	Medium	3.00%	\$285,269	\$0	\$42,409	\$480,468
2047	\$1,339,115	\$2,338,931	57.3%	Medium	3.00%	\$293,827	\$0	\$37,132	\$530,416
2048	\$1,139,659	\$2,207,284	51.6%	Medium	3.00%	\$302,642	\$0	\$37,194	\$136,296
2049	\$1,343,198	\$2,487,967	54.0%	Medium	3.00%	\$311,721	\$0	\$44,482	\$73,181
2050	\$1,626,221	\$2,852,725	57.0%	Medium	3.00%	\$321,073	\$0	\$47,166	\$472,147
2051	\$1,522,313	\$2,828,455	53.8%	Medium	3.00%	\$330,705	\$0	\$46,184	\$338,531
2052	\$1,560,671	\$2,952,375	52.9%	Medium	3.00%	\$340,626	\$0	\$49,829	\$185,478
2053	\$1,765,648	\$3,249,291	54.3%	Medium	3.00%	\$350,845	\$0	\$53,625	\$356,024
2054	\$1,814,094	\$3,391,432	53.5%	Medium	3.00%	\$361,370	\$0	\$55,874	\$315,544

This chart (the same as shown on p. 22) shows a 3% assessment each year starting at year 3. The assessments for this scenario can be further finessed (e.g., assessments on alternate years, or growing smaller or larger over time), but the UPlanIt tool did not allow for that kind of flexibility.

Next Steps

- Rationalize operations and reserves accounting and budgeting
- Rationalize sewer assessment budgeting
- Make decision on the MORE loan
- Recognize the costs of the loans in overall budgeting
- Pursue additional funding opportunities through the Development Committee
- Update plan annually (internally), reflecting real budgets, costs, and priorities; create yearly maintenance plans
- Evaluate timing and need for increased reserve funding contribution (assessments) from residents
- Update Reserve Plan in 3 years (part of current AR contract)

Appendix - Items overlapping with O&M

Overlap of Capital and Operations Budgets includes work performed by Maintenance Director and Staff. The list is extensive and includes, but is not limited to the following:

Sewer

Root ball intrusion and rainwater intrusion
Scope lines as preventative maintenance
Sewer cleanout installation
Leach field maintenance and repair of broken pipes and pumps

Electrical

Electric pedestal replacement

Community Grounds

Lot number signs
Wooden street sign replacement, maintenance and repair
Path light lamps
Street light replacement and repair
Roads and walkway pavement repairs

Water

Replace leaking risers
Install valves

Pool and Spa

Maintenance and testing
Filter changes, pump breakage and leaks.
Rust removal and repainting
Bathroom maintenance and repair

Clubhouse

Light replacements
Electrical repairs
Sheet rock repair
Interior painting
Repair or replace all bathroom appliances and fixtures
Exterior repair work siding, decking, walkways and lighting