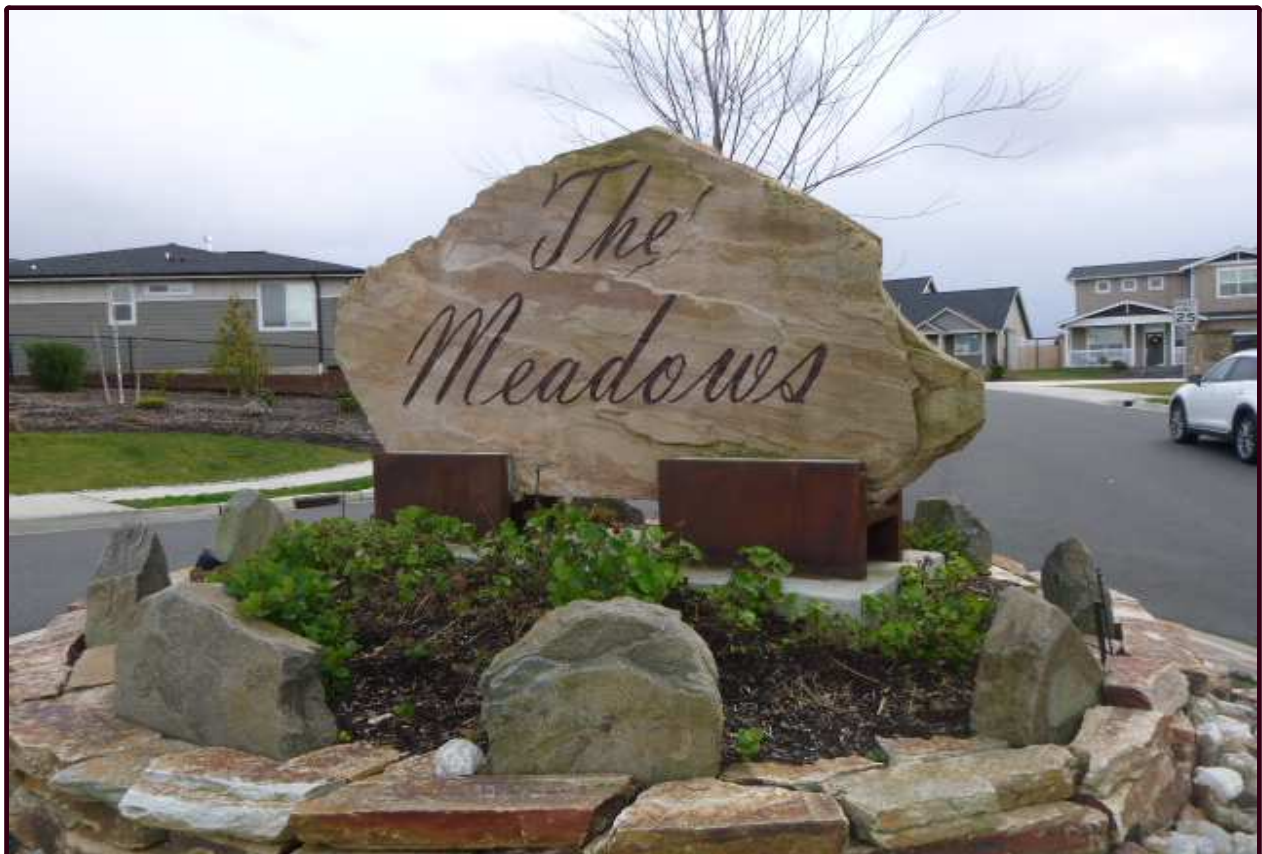




5116 Heather Drive  
Anacortes, WA 98221  
360.588.9956

# Funding Reserve Analysis *for* The Meadows Community Level 1 Study 2019

December 21, 2018



**TABLE OF CONTENTS**  
**The Meadows Community Level 1 Study 2019**

**Introduction and Executive Summary**

Introduction ..... 1-3

**PART II • RESERVE STUDY**

Current Assessment Projection Summary ..... 2-1  
Current Assessment Projection ..... 2-2  
Baseline Funding Model Summary ..... 2-3  
Baseline Funding Model Projection ..... 2-4  
Fully Funded Model Summary ..... 2-5  
Fully Funded Model Projection ..... 2-6  
Funding Model Comparison by Percent Funded ..... 2-7  
Annual Expenditure Detail ..... 2-8  
Detail Report by Category ..... 2-11  
Expenses by Item and by Calendar Year ..... 2-17

**PART III • APPENDIX**

Disclosure Form ..... 3-1



5116 Heather Drive  
Anacortes, WA 9822  
360.588.9956

December 21, 2018

Ms. Teresa Bosteter  
Windermere Management  
541 W. Bakerview Rd  
Bellingham WA 98226

Dear Ms. Teresa Bosteter,

First we would like to thank you for using our services. Our approach is to provide the members, the board and management with understandable information to make informed decisions needed to best manage your reserve fund and annual contributions. We strive to understand the association's needs and design a funding strategy for meeting those needs based on a realistic approach to finances available and real world workings of most associations. We live and work in the local area and work hard to keep up to date with costs in your association's neighborhood.

Included you will find three funding models, all of which detail how your association finances will look during the 30 year forecast window. The first model is based on your Current Level of Contributions to your reserve fund. The second model is called Baseline Funded and is designed to show the reserve funding with little or no margin for unexpected expenses. The third model is named Fully Funded and is the State of Washington's recommended funding strategy.

### **Executive Summary**

The attached funding study is limited in scope to those expense items listed in the attached Expense Detail Report. Expense items which have an expected life of more than 30 Years are not included in this reserve study unless payment for these long-lived items overlaps the 30 Years reserve study envelope.

This year's report is a Level 1 Reserve Study which includes a field evaluation of the association's physical assets, a review of current financial, other information provided by the client.

The Meadows is a relatively new community with the first homes completed in 2016. All components appear to be well constructed and in good condition. The ongoing maintenance of the wetland areas, primarily vegetation control along the roadways and homes are assumed to be included in the annual operations budget and not included in this reserve study. Please refer to the detailed report pages in the following sections of the report.

*(Report Note - material and labor costs appear to be continuing to increase in all construction categories. Until such time as cost increases moderate an inflation factor of 3% will be used in all funding models).*

**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.

**Reserve Fund Status and Funding Plan Recommendation** - Based on our findings, the current level of funding of the reserve account is not adequate to fund projected expenses for the long term. We recommend the association gradually adopt a reserve funding plan based on the Fully Funding Model in order to ensure that adequate funding is available throughout the 30 year study period.

**Current Assessment Projection** - The initial reserve assessment is set at the association's reported current fiscal year funding level and projected out 30 years to illustrate the adequacy of the current funding over time.

Current Total Reported Annual Reserve Contribution - \$1,000

**Baseline Funded Model** - The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. A facility using this funding method must understand that even a minor reduction in a component's remaining useful life **or unplanned expenses** can result in a deficit in the reserve cash balance **and may require additional funding**.

Recommended Total Annual Reserve Contribution - \$3,124

**Fully Funded Model** - This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments. This is the most conservative funding model. It leads to or maintains a fully funded reserve position. (Please note that the Fully Funded Model incorporates minimum funding parameters and seeks to reach this minimum reserve level and may show high initial contributions).

Recommended Total Annual Reserve Contribution - \$5,260

### **Depth of Study**

We have completed a full service Level 1 Reserve Study for your association. A field inspection was made to verify the current status of the various reserve study components, their physical condition, and to verify component quantities. In place testing, laboratory testing, and non-destructive testing of the reserve study components were not performed. Field measurements of component quantities were made to either verify improvement plan take offs or determine directly the quantities of various components. Photographs were taken of the site improvements.

### **Initial Reserves**

Initial reserves for this reserve study were reported to be \$1,917 as of November 30, 2018. 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.

### **Keeping Your Reserve Study Current**

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the facilities site and computations made subsequently in preparing this reserve analysis study are retained in our computer files.

### **Conflict of Interest**

As the preparer of this reserve study, Pacific Crest Reserves certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

### **Date of Physical Inspection**

The property was physically inspected by Pacific Crest Reserves on December 20, 2018.

Pacific Crest Reserves would like to thank the members and management for the opportunity to be of service in the preparation of the attached funding study. Again, please feel free to contact us if you have any questions.

Prepared by:

*Charlie Barefield*

Charlie Barefield  
Reserve Analyst Principal

## Introduction

### Project Description

The Meadows is a 157 residential lot community located in Ferndale Washington. The first homes were built in 2016 and construction continues as the community grows. Assets include wooden foot bridges along the extensive gravel pathways, asphalt paved areas, wetlands, split rail fencing, signage and residence mailboxes.

### Percent Funded

Many reserve studies use the concept of "Percent Funded" to measure the reserve account balance against a theoretically perfect value. Percent Funded is often used as a measure of the "Financial Health" of an association. The assumption is, the higher the percentage, the greater the "Financial Health". The question of substance is simply: How much is enough? To answer the question, some understanding of Percent Funded is required. Percent Funded is the ratio of current cash reserves divided by the Fully Funded value at any instant in time. Fully Funded is defined as the present value of the sum of all Reserve Items divided by the expected life of each item. In essence, Fully Funded is simply the total of the average net present value of the association improvements. Reserve Items with a remaining life greater than the study life are not included in the calculation. For example; building framing, foundations, water lines, and other long-lived items that fall outside the envelope of the reserve study are excluded from the calculation. Percent Funded is then, the current reserve balance divided by the Fully Funded value multiplied by 100 (to give a percentage). The concept of percent funded is useful when the reserve study is comprehensive, but misleading when the reserve study is superficial or constrained. As a result, we recommend that the statement "Percent Funded" be used with caution.

### Washington State Homeowners and Condominium Act Compliance (RCW 64.38 and RCW 64.34)

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. A reserve component list, including roofing, painting, paving, decks, siding, plumbing, windows, and any other reserve component that would cost more than one percent of the annual budget for major maintenance, repair, or replacement. If one of these reserve components is not included in the reserve study, the study should provide commentary explaining the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, remaining useful life of each reserve component, and current repair and replacement cost for each component; In this Reserve Study the following components are excluded:

Plumbing - the remaining useful life of the plumbing exceeds the 30 year scope of the study.

### Reserve Study Assumptions

The below listed assumptions are implicit in this reserve study:

- Cost estimates and financial information are accurate and current.
- No unforeseen circumstances will cause a significant reduction of reserves.
- Sufficient comprehensive property insurance exists to protect from insurable risks.
- The association plans to continue to maintain the existing common areas and amenities.
- Reserve payments occur at the end of every calendar month.
- Expenses occur at the end of the expense year.

### Inflation Estimate

Inflation for the last year has been reviewed and a best fit regression analysis of the last 12 months has been used to determine future expense estimates. Based on the current economic conditions, the inflation rate will need to be closely monitored as this is a critical factor in reserve planning for future fund needs.

### Impact of Component Life

The projected life expectancy of the major components and the reserve funding needs of the association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the components' useful life, effectively moving the component expense into the future which reduces the reserve funding payments of the association. Failure to perform such maintenance can shorten the remaining useful lives of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the association.

### Study Method

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

#### **Items Beyond the Scope of this Report**

Building or land appraisals for any purpose.

State or local zoning ordinance violations.

Building code violations.

Soils conditions, soils contamination or geological stability of site.

Engineering analysis or structural stability of site.

Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, radon, water quality or other environmental hazards.

Invasions by pests, termites and any or all other destroying organisms, insects, birds, bats or animals to buildings or site. This study is not a pest inspection.

Adequacy or efficiency of any system or component on site.

#### **Specifically excluded reserve items:**

Septic systems and septic tanks.

Buried or concealed portions of swimming pools, pool liners.

Jacuzzis and spas or similar items.

Items concealed by signs.

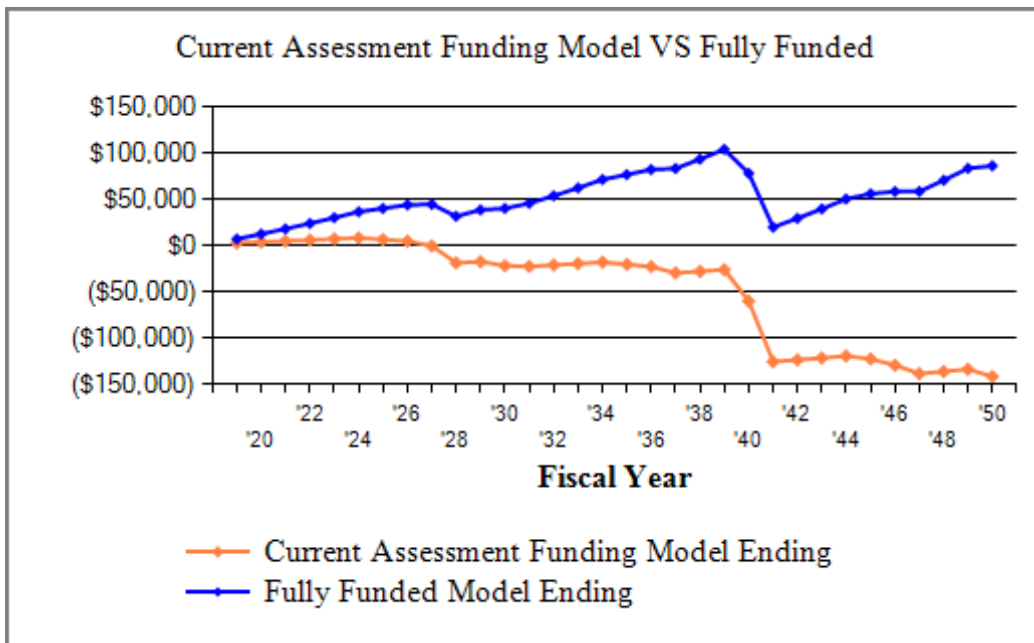
Missing or omitted information supplied by the Client for the purposes of reserve study preparation.

Hidden improvements such as sewer lines, water lines, irrigation lines or other buried or concealed items.

**The Meadows Community Level 1 Study 2019**  
 Ferndale, WA  
**Current Assessment Projection Summary**

Report Date	December 21, 2018
Budget Year Beginning	January 1, 2019
Budget Year Ending	December 31, 2019
Total Units	157

<b>Report Parameters</b>	
Inflation	3.00%
Interest Rate on Reserve Deposit	0.17%
Tax Rate Included in Interest Rate	
2019 Beginning Balance	\$1,917



**The Current Assessment Funding Model** is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

**Current Assessment Funding Model Summary of Calculations**

Required Annual Contribution	\$1,000.00
<i>\$6.37 per unit annually</i>	
Average Net Annual Interest Earned	\$5.11
Total Annual Allocation to Reserves	\$1,005.11
<i>\$6.40 per unit annually</i>	

**The Meadows Community Level 1 Study 2019  
Current Assessment Projection**

Beginning Balance: \$1,917

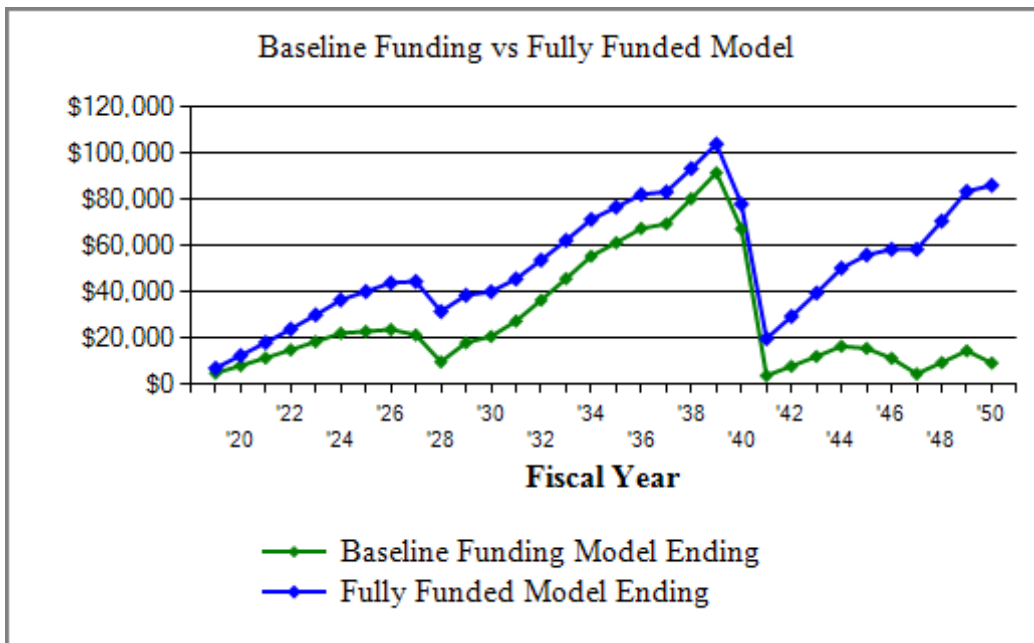
Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2019	1,000	5		2,922	16,619	18%
2020	1,030	7		3,959	21,397	19%
2021	1,061	9		5,029	26,447	19%
2022	1,093	11		6,132	31,781	19%
2023	1,126	13		7,271	37,410	19%
2024	1,159	15		8,445	43,349	19%
2025	1,194	12	2,985	6,665	46,502	14%
2026	1,230	8	3,075	4,829	49,805	10%
2027	1,267		6,334	-238	50,062	
2028	1,305		19,572	-18,505	36,850	
2029	1,344			-17,161	43,563	
2030	1,384		5,765	-21,542	44,878	
2031	1,426		2,139	-22,255	50,146	
2032	1,469			-20,787	57,959	
2033	1,513			-19,274	66,195	
2034	1,558			-17,716	74,873	
2035	1,605		4,012	-20,123	79,880	
2036	1,653		4,132	-22,602	85,121	
2037	1,702		8,512	-29,412	86,220	
2038	1,754			-27,659	96,339	
2039	1,806			-25,852	106,987	
2040	1,860		35,653	-59,645	81,466	
2041	1,916		67,255	-124,984	22,868	
2042	1,974			-123,010	32,032	
2043	2,033			-120,977	41,725	
2044	2,094			-118,884	51,971	
2045	2,157		5,391	-122,119	57,240	
2046	2,221		8,885	-128,782	59,348	
2047	2,288		11,440	-137,934	59,173	
2048	2,357			-135,578	71,071	
2049	2,427			-133,150	83,630	
2050	2,500		10,413	-141,063	86,153	



**The Meadows Community Level 1 Study 2019**  
 Ferndale, WA  
**Baseline Funding Model Summary**

Report Date	December 21, 2018
Budget Year Beginning	January 1, 2019
Budget Year Ending	December 31, 2019
Total Units	157

<b>Report Parameters</b>	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.17%
Tax Rate Included in Interest Rate	
2019 Beginning Balance	\$1,917



The **Baseline Funding Model** calculates the minimum reserve assessments, with the restriction that the reserve balance is not allowed to go below \$0 or other predetermined baseline, during the period of time examined. All funds for planned reserve expenditures will be available on the first day of each fiscal year. The **Baseline Funding Model** allows the client to choose the level of conservative funding they desire by choosing the baseline dollar amount.

<b>Baseline Funding Model Summary of Calculations</b>	
Required Annual Contribution	\$3,123.71
<i>\$19.90 per unit annually</i>	
Average Net Annual Interest Earned	\$8.82
Total Annual Allocation to Reserves	<u>\$3,132.53</u>
<i>\$19.95 per unit annually</i>	

**The Meadows Community Level 1 Study 2019  
Baseline Funding Model Projection**

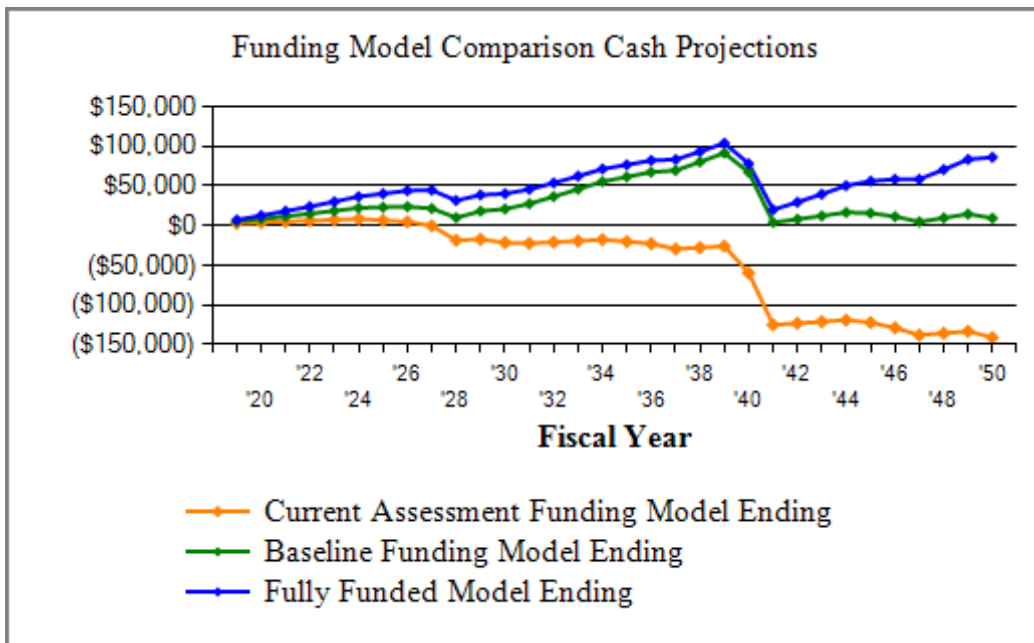
Beginning Balance: \$1,917

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2019	3,124	9		5,050	16,619	30%
2020	3,217	14		8,282	21,397	39%
2021	3,314	20		11,616	26,447	44%
2022	3,413	26		15,056	31,781	47%
2023	3,516	32		18,604	37,410	50%
2024	3,621	39		22,264	43,349	51%
2025	3,730	40	2,985	23,049	46,502	50%
2026	3,842	42	3,075	23,858	49,805	48%
2027	3,957	38	6,334	21,519	50,062	43%
2028	7,964	17	19,572	9,929	36,850	27%
2029	8,203	32		18,163	43,563	42%
2030	8,449	36	5,765	20,884	44,878	47%
2031	8,703	48	2,139	27,496	50,146	55%
2032	8,964	64		36,523	57,959	63%
2033	9,233	80		45,836	66,195	69%
2034	9,510	97		55,443	74,873	74%
2035	9,795	107	4,012	61,333	79,880	77%
2036	10,089	118	4,132	67,407	85,121	79%
2037	10,391	121	8,512	69,408	86,220	81%
2038	10,703	140		80,251	96,339	83%
2039	11,024	160		91,435	106,987	85%
2040	11,355	117	35,653	67,255	81,466	83%
2041	3,957	7	67,255	3,964	22,868	17%
2042	4,076	14		8,054	32,032	25%
2043	4,198	21		12,274	41,725	29%
2044	4,324	29		16,627	51,971	32%
2045	4,454	27	5,391	15,717	57,240	27%
2046	4,588	20	8,885	11,440	59,348	19%
2047	4,725	8	11,440	4,734	59,173	8%
2048	4,867	17		9,618	71,071	14%
2049	5,013	26		14,656	83,630	18%
2050	5,163	16	10,413	9,423	86,153	11%

**The Meadows Community Level 1 Study 2019**  
 Ferndale, WA  
**Fully Funded Model Summary**

Report Date	December 21, 2018
Budget Year Beginning	January 1, 2019
Budget Year Ending	December 31, 2019
Total Units	157

<b>Report Parameters</b>	
Inflation	3.00%
Interest Rate on Reserve Deposit	0.17%
Tax Rate Included in Interest Rate	
2019 Beginning Balance	\$1,917



The **Fully Funded Model's** long-term objective is to provide a plan to a fully funded reserve position over the longest period of time practical. This is the most conservative funding model.

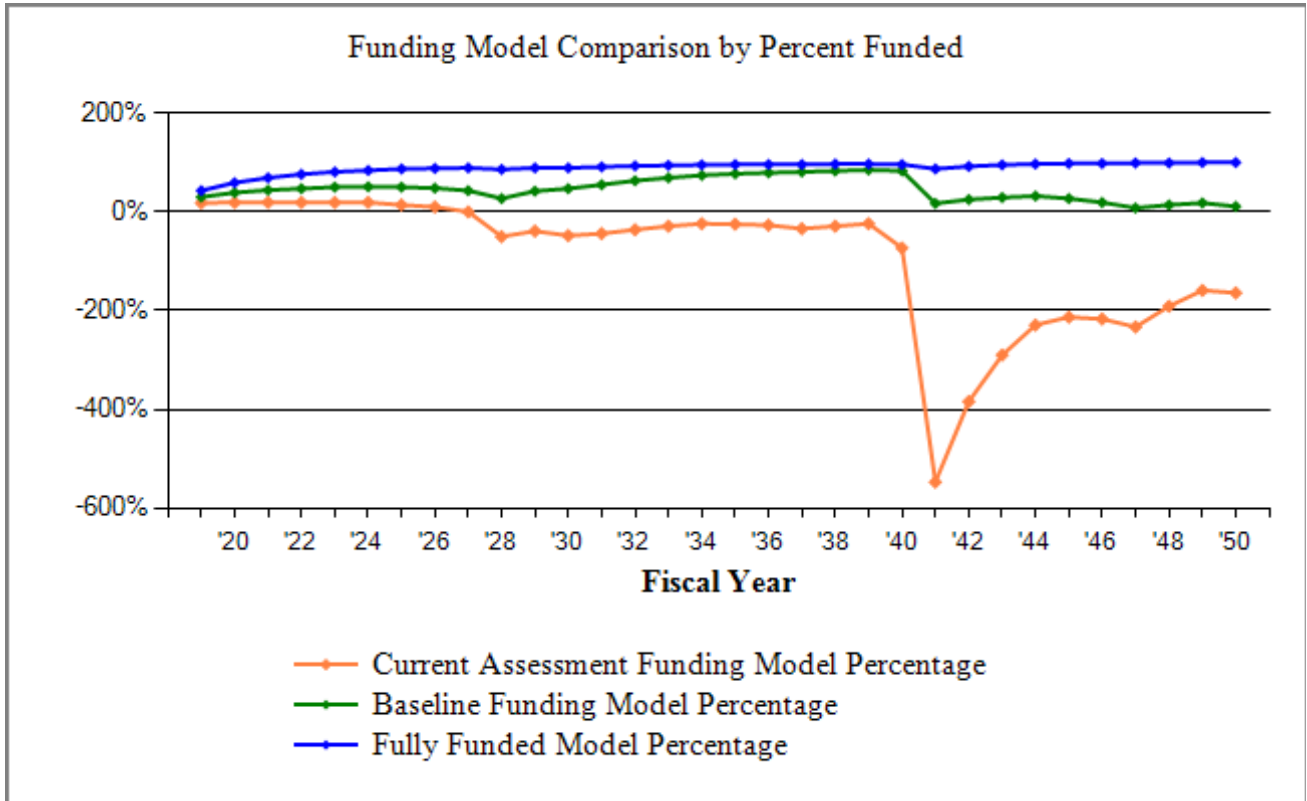
<b>Fully Funded Model Summary of Calculations</b>	
Required Annual Contribution	\$5,259.90
<i>\$33.50 per unit annually</i>	
Average Net Annual Interest Earned	\$12.56
Total Annual Allocation to Reserves	\$5,272.46
<i>\$33.58 per unit annually</i>	

**The Meadows Community Level 1 Study 2019  
Fully Funded Model Projection**

Beginning Balance: \$1,917

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2019	5,260	13		7,190	16,619	43%
2020	5,414	22		12,626	21,397	59%
2021	5,555	32		18,212	26,447	69%
2022	5,777	42		24,031	31,781	76%
2023	6,073	53		30,157	37,410	81%
2024	6,380	64		36,602	43,349	84%
2025	6,544	70	2,985	40,231	46,502	87%
2026	6,743	77	3,075	43,976	49,805	88%
2027	6,878	78	6,334	44,598	50,062	89%
2028	6,561	55	19,572	31,643	36,850	86%
2029	6,922	67		38,632	43,563	89%
2030	7,227	70	5,765	40,164	44,878	89%
2031	7,577	80	2,139	45,683	50,146	91%
2032	7,995	94		53,772	57,959	93%
2033	8,428	109		62,309	66,195	94%
2034	8,878	125		71,312	74,873	95%
2035	9,181	134	4,012	76,615	79,880	96%
2036	9,455	143	4,132	82,081	85,121	96%
2037	9,484	145	8,512	83,199	86,220	96%
2038	9,871	163		93,232	96,339	97%
2039	10,403	181		103,817	106,987	97%
2040	9,703	136	35,653	78,004	81,466	96%
2041	9,154	35	67,255	19,938	22,868	87%
2042	9,518	52		29,508	32,032	92%
2043	10,046	69		39,623	41,725	95%
2044	10,601	88		50,312	51,971	97%
2045	10,957	98	5,391	55,975	57,240	98%
2046	11,233	102	8,885	58,425	59,348	98%
2047	11,378	102	11,440	58,465	59,173	99%
2048	12,006	123		70,595	71,071	99%
2049	12,659	146		83,399	83,630	100%
2050	12,911	150	10,413	86,047	86,153	100%

**The Meadows Community Level 1 Study 2019  
Funding Model Comparison by Percent Funded**



The chart above compares the projected Reserve Percentage Funded of the three funding models (Current Assessment Funding Model, Baseline Funding Model and Fully Funded Model) over 30 years.

**The Meadows Community Level 1 Study 2019  
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2019</i>	
<i>No Replacement in 2020</i>	
<i>No Replacement in 2021</i>	
<i>No Replacement in 2022</i>	
<i>No Replacement in 2023</i>	
<i>No Replacement in 2024</i>	
<b>Replacement Year 2025</b>	
Foot Bridge Major Repair/Replacement	2,985
<b>Total for 2025</b>	<b>\$2,985</b>
<b>Replacement Year 2026</b>	
Landscape Refurbish/Maintenace	3,075
<b>Total for 2026</b>	<b>\$3,075</b>
<b>Replacement Year 2027</b>	
Gravel Pathway Refurbish	6,334
<b>Total for 2027</b>	<b>\$6,334</b>
<b>Replacement Year 2028</b>	
Split Rail Fence Repair/Replacement	19,572
<b>Total for 2028</b>	<b>\$19,572</b>
<i>No Replacement in 2029</i>	
<b>Replacement Year 2030</b>	
Asphalt Paved Areas	5,765
<b>Total for 2030</b>	<b>\$5,765</b>
<b>Replacement Year 2031</b>	
Signage	2,139
<b>Total for 2031</b>	<b>\$2,139</b>
<i>No Replacement in 2032</i>	
<i>No Replacement in 2033</i>	
<i>No Replacement in 2034</i>	
<b>Replacement Year 2035</b>	
Foot Bridge Major Repair/Replacement	4,012
<b>Total for 2035</b>	<b>\$4,012</b>

**The Meadows Community Level 1 Study 2019  
Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2036</b>	
Landscape Refurbish/Maintenace	4,132
<b>Total for 2036</b>	<b>\$4,132</b>
<b>Replacement Year 2037</b>	
Gravel Pathway Refurbish	8,512
<b>Total for 2037</b>	<b>\$8,512</b>
<i>No Replacement in 2038</i>	
<i>No Replacement in 2039</i>	
<b>Replacement Year 2040</b>	
Asphalt Paved Areas	7,748
Split Rail Fence Repair/Replacement	27,904
<b>Total for 2040</b>	<b>\$35,653</b>
<b>Replacement Year 2041</b>	
Mail Box Major Repair/Replacement	67,255
<b>Total for 2041</b>	<b>\$67,255</b>
<i>No Replacement in 2042</i>	
<i>No Replacement in 2043</i>	
<i>No Replacement in 2044</i>	
<b>Replacement Year 2045</b>	
Foot Bridge Major Repair/Replacement	5,391
<b>Total for 2045</b>	<b>\$5,391</b>
<b>Replacement Year 2046</b>	
Landscape Refurbish/Maintenace	5,553
Signage	3,332
<b>Total for 2046</b>	<b>\$8,885</b>
<b>Replacement Year 2047</b>	
Gravel Pathway Refurbish	11,440
<b>Total for 2047</b>	<b>\$11,440</b>

**The Meadows Community Level 1 Study 2019  
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2048</i>	
<i>No Replacement in 2049</i>	
<b>Replacement Year 2050</b>	
Asphalt Paved Areas	10,413
<b>Total for 2050</b>	<u><b>\$10,413</b></u>



**The Meadows Community Level 1 Study 2019  
Detail Report by Category**

**Foot Bridge Major Repair/Replacement - 2025**

Asset ID	1001	1 Allowance	@ \$2,500.00
		Asset Cost	\$2,500.00
		Percent Replacement	100%
Grounds Components		Future Cost	\$2,985.13
Placed in Service	January 2016		
Useful Life	10		
Adjustment	-1		
Replacement Year	2025		
Remaining Life	6		



The community has three wooden foot bridges along the walking pathway. They all appear relatively new, however the bridge with the railing has already developed a slight sag and should be monitored for further deflection. Funds are included for repair and eventual replacement of these structures.

**Split Rail Fence Repair/Replacement - 2028**

Asset ID	1002	1 Allowance	@ \$15,000.00
		Asset Cost	\$15,000.00
		Percent Replacement	100%
Fencing/Security		Future Cost	\$19,571.60
Placed in Service	January 2016		
Useful Life	12		
Replacement Year	2028		
Remaining Life	9		

**The Meadows Community Level 1 Study 2019  
Detail Report by Category**

*Split Rail Fence Repair/Replacement continued...*



There is extensive use of split rail type fencing around the wetland areas that will require repair and replacement in the future. Most split rail construction uses holes in the posts where the rails are placed through these holes and therefore supported. The rails on this fence are connected to the posts with large fasteners which will require additional maintenance. Additionally the posts were installed directly into the soil rather than longer lasting concrete.

**Landscape Refurbish/Maintenance - 2026**

Asset ID	1003	1 Allowance	@ \$2,500.00
		Asset Cost	\$2,500.00
		Percent Replacement	100%
		Future Cost	\$3,074.68
Grounds Components			
Placed in Service	January 2016		
Useful Life	10		
Replacement Year	2026		
Remaining Life	7		



A small landscape refurbish and maintenance fund has been included.

**The Meadows Community Level 1 Study 2019  
Detail Report by Category**

**Wetlands Management**

Asset ID	1004	Asset Cost	
		Percent Replacement	100%
Grounds Components		Future Cost	
Placed in Service	January 2016		
No Useful Life			



The community includes several large wetland/storm water areas that may require maintenance in the future. At this time this category is unfunded as it appears that it will be left in a natural state.

**Gravel Pathway Refurbish - 2027**

Asset ID	1005	1 Allowance	@ \$5,000.00
		Asset Cost	\$5,000.00
Grounds Components		Percent Replacement	100%
Placed in Service	January 2016	Future Cost	\$6,333.85
Useful Life	10		
Adjustment	1		
Replacement Year	2027		
Remaining Life	8		

**The Meadows Community Level 1 Study 2019  
Detail Report by Category**

*Gravel Pathway Refurbish continued...*



The community includes an extensive gravel walking pathway as well as some rip-rap surfaced access roads. Funding is included for pathway gravel refurbishing in 10 year cycles. Only occasional use of the rip-rap surfaced areas is anticipated and therefore not funded.

**Asphalt Paved Areas - 2030**

Asset ID	1006	1 Allowance	@ \$4,165.00
		Asset Cost	\$4,165.00
		Percent Replacement	100%
		Future Cost	\$5,765.33
Streets/Asphalt			
Placed in Service	January 2016		
Useful Life	10		
Adjustment	4		
Replacement Year	2030		
Remaining Life	11		



Most of the streets within the plat are city maintained, however there are two private lanes plus three driveway accesses that are the association's responsibility. The budget includes funds for minor repairs and seal coat application in 10 year cycles.

**The Meadows Community Level 1 Study 2019  
Detail Report by Category**

**Mail Box Major Repair/Replacement - 2041**

Asset ID	1007	1 Allowance	@ \$35,100.00
		Asset Cost	\$35,100.00
		Percent Replacement	100%
		Future Cost	\$67,255.23
	Mailboxes		
Placed in Service	January 2016		
Useful Life	25		
Replacement Year	2041		
Remaining Life	22		



Commercial mailboxes should provide a useful life of 25 years or more with proper maintenance. Annual inspection, repair and lubrication can greatly lengthen the longevity of this equipment.

**Signage - 2031**

Asset ID	1008	1 Allowance	@ \$1,500.00
		Asset Cost	\$1,500.00
		Percent Replacement	100%
		Future Cost	\$2,138.64
	Signs		
Placed in Service	January 2016		
Useful Life	15		
Replacement Year	2031		
Remaining Life	12		

**The Meadows Community Level 1 Study 2019  
Detail Report by Category**

*Signage continued...*



Funding for maintenance and replacement of the community signs is included.

**The Meadows Community Level 1 Study 2019  
Expenses by Item and by Calender Year**

<b>Description</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Asphalt Paved Areas										
Foot Bridge Major Repair/Replacement							2,985			
Gravel Pathway Refurbish									6,334	
Landscape Refurbish/Maintenace								3,075		
Mail Box Major Repair/Replacement										
Signage										
Split Rail Fence Repair/Replacement										19,572
Wetlands Management	<i>Unfunded</i>									
<b>Year Total:</b>							<b>2,985</b>	<b>3,075</b>	<b>6,334</b>	<b>19,572</b>

**The Meadows Community Level 1 Study 2019  
Expenses by Item and by Calendar Year**

<b>Description</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>
Asphalt Paved Areas		5,765								
Foot Bridge Major Repair/Replacement							4,012			
Gravel Pathway Refurbish									8,512	
Landscape Refurbish/Maintenace								4,132		
Mail Box Major Repair/Replacement										
Signage			2,139							
Split Rail Fence Repair/Replacement										
Wetlands Management	<i>Unfunded</i>									
<b>Year Total:</b>		<b>5,765</b>	<b>2,139</b>				<b>4,012</b>	<b>4,132</b>	<b>8,512</b>	



**The Meadows Community Level 1 Study 2019  
Expenses by Item and by Calendar Year**

<b>Description</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>	<b>2047</b>	<b>2048</b>
Asphalt Paved Areas		7,748								
Foot Bridge Major Repair/Replacement							5,391			
Gravel Pathway Refurbish									11,440	
Landscape Refurbish/Maintenace								5,553		
Mail Box Major Repair/Replacement			67,255							
Signage								3,332		
Split Rail Fence Repair/Replacement		27,904								
Wetlands Management	<i>Unfunded</i>									
<b>Year Total:</b>		<b>35,653</b>	<b>67,255</b>				<b>5,391</b>	<b>8,885</b>	<b>11,440</b>	

**The Meadows Community Level 1 Study 2019  
Expenses by Item and by Calender Year**

<b>Description</b>	<b>2049</b>	<b>2050</b>
Asphalt Paved Areas		10,413
Foot Bridge Major Repair/Replacement		
Gravel Pathway Refurbish		
Landscape Refurbish/Maintenace		
Mail Box Major Repair/Replacement		
Signage		
Split Rail Fence Repair/Replacement		
Wetlands Management	<i>Unfunded</i>	
<b>Year Total:</b>		<b>10,413</b>



## Reserve Study Disclosure Form

In Compliance with RCW 64.34.308 and RCW 64.38.025 (2016)

Name of Association: The Meadows Community

Current Year Reported Budget Contribution to Reserves: \$1,000

Recommended 2019 Contribution to Reserves, per study: \$5,260

Funding Plan Used for Recommendations: Full Funding

Projected Year End Reserve Balance at Current Funding Level: \$7,190

Projected Year End Reserve Balance at Recommended Funding Level: \$16,619

**5 Year Balances**

Estimates Per Study:	2019	2020	2021	2022	2023
Projected Year End Reserve Balances at Current Level*	\$7,190	\$12,626	\$18,212	\$24,031	\$30,157
Projected Year End Reserve Balances at Recommended Funding Level:	\$16,619	\$21,397	\$26,447	\$31,781	\$37,410
% Reserve is Fully Funded at Current Funding Level: *	18%	19%	19%	19%	19%

Based upon the most recent reserve study, will the association have funds to meet obligations for the next 30 years at the current contribution rate? No

To be Completed by Management

Proposed 2019 Budget's Contribution to Reserves: \_\_\_\_\_

Is Additional Funding (Regular or Special Assessment) Planned? Yes/No

When is it due? (Month/Year) \_\_\_\_\_

What is the Purpose?                      Description of Project(s):

Duration of Assessment: Start Date \_\_\_\_\_ End Date \_\_\_\_\_

Assessment Amount per Unit on Average: Per Month \_\_\_\_\_ Per Year \_\_\_\_\_

Author Name \_\_\_\_\_

Source Key: Budget/Reserve Study

Date of Completion \_\_\_\_\_

\* Projection includes a 3% Increase Per Year