

**Timberton Village Homeowners' Association
Reserve Study Update for FY 2026-27**

I. Content required by RCW 64.38.070

- A. Date and Statement of Compliance.** This study was adopted by the Timberton Village Homeowners Association Board on April 22, 2026 and reaffirmed with typographical edits April 30, 2026. The study meets the requirements of RCW 64.38.070 and RCW 64.90.550.
- B. Study Level:** This is a Level II study (update with visual inspection) as defined in RCW 64.38.070(2)(c).
- C. Reserve Account Balance:** Balance anticipated as of July 1, 2026: \$42,580.
- D. Fully Funded Balance:** \$32,310 (Calculated using UPlanit Software with imported data from Professional Study completed in December 2023 for FY 2024-25 (FY 2024-25 Study) and updated as explained in this report).
- E. Reserve Account as Percentage of Fully Funded Balance:** 131.8%.

NOTE: The reserve account balance less amount required for full funding is \$10,270. This represents an excess of \$131.67 per home.

- F. Special Assessments:** None implemented, planned or anticipated.
- G. Assumptions used in calculations:**
- | | |
|------------------------------|-----|
| Interest (after tax): | 2%. |
| Inflation: | 3%. |
- H. Current contribution rates (as calculated by UPlanit software):**
- | | |
|------------------------------|----------|
| For full funding: | \$2,710. |
| For baseline funding: | \$1,920. |
- I. Contribution rate recommended by Professional in last professional study - FY 2024-25 Study:**
- | | |
|------------------------------|---------|
| For full funding: | \$2,700 |
| For baseline funding: | \$1,375 |
- J. Projected reserve account balances and funding plans:** See attached tables for 30-year Cash Flow at full funding and at baseline funding.

K. Professional assistance. This study was not prepared with the assistance of a reserve study professional but relies in large part on the FY 2024-25 professional study and software available through the same entity that incorporates data from that study.

II. Disclosure required by RCW 64.38.070

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.

III. A Note on Governing Statutes

Pursuant to RCW 64.90.525, which governs our budget process, our budget proposal must include a statement whether we have “a reserve study that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study.” RCW 64.90.525(2)(e). In addition, we must state “the current deficiency or surplus in reserve funding expressed on a per unit basis.” RCW 64.90.525(2)(f). Despite the requirement to disclose whether we have a study that satisfies RCW 64.90.550, it appears our reserve study requirement is controlled by RCW 64.38.70 (in effect until January 1, 2028). It, nonetheless, appears that RCW 64.90.550 would be satisfied by a study that satisfies RCW 64.38.070.

IV. Background – Recent Reserve Studies Considered

In preparing this Reserve Study, we have considered or relied on two recent studies discussed below.

FY 2024-25 Study. Our most recent prior reserve study is a Level 1 (full reserve study funding analysis and plan with site visit) as defined in RCW 64.38.070. This study was completed by Association Reserves, a reserve study professional, on December 7, 2023 for FY 2024-25.¹ The FY 2024-25 Study includes an extensive list of components and addresses whether those components are appropriate for coverage under the reserve study. It concludes only five meet the requirements for coverage. FY 2024-25 Study at 15-18, 29. The covered components include: the Gazebo (Component #150); Landscape

¹ The Reserve Studies and Component Detail discussed in this document are available on the Timberton.org website under Info & Docs/Reserve Studies.

(#170), Wet Stormwater Pond(s) (#182); Community Monuments (#190), and Mailboxes (#195). *Id.* at 15-18.

While it did not find grounds for funding other Components *at that time*, the FY 2024-25 Study notes at least three other Components might be appropriate for funding in the future. *Id.* at 38 (Drainage and Stormwater System #180); *id.* at 39 (Dry Stormwater Ponds #181); *id.* at 41 (Stormwater Swales #183). It also notes the wide range of potential costs for maintenance of wet ponds and suggests the community “work with the governing authority and a local contractor(s) to better define” needs and costs. *Id.* at 40. Based on age and condition of the Spinnaker Pond and an assumption the Woods Pond is a wet pond and the Double-Cell Pond is not, the report projects expenditures of \$15,000 on wet ponds in 2024. See below Section V.B.5 (Steward’s Note) (addressing categorization of ponds).

The FY 2024-25 Study concluded that, as of July 1, 2024, the Reserve Balance needed to be fully funded was \$32,310. Based on an incorrect understanding our Asset Reserve Balance would total \$56,090 on that date, it calculated we would be 173.6% fully funded at the start of FY 2024-25. While it found we were more than fully funded, the FY 2024-25 Study still recommended fairly significant contributions in FY 2024-25:

For 100% Full Funding	\$ 2,700
For 70% Threshold Funding	2,185
For Baseline Funding	1,375

The FY 2024-25 Study projected \$24,227 would be needed on July 1, 2026, for a fully funded balance. This presumed \$15,000 was spent before that date for wet pond maintenance.

Our current actual Asset Reserve balance is \$42,587. The amount will be the same on July 1, 2026. This was the approximate actual Asset Reserve balance on July 1, 2024, as no interest has been retained in that account. The FY 2024-25 Study’s assumption as to the reserve balance (that it was \$56,009) was overstated by roughly \$14,000. Using the correct balance would still have resulted in a determination we were more than 100% funded at that time. No contributions to the Asset Reserve have been made since the completion of the FY 2024-25 Study despite its recommendation that contributions be made (options listed above). Nonetheless, using the assumptions as to costs and expenses reflected in that study, and as updated to current values and expenditures using the UPlanit software, we are still more than fully funded. See below 2026 Reserve Study Update.

FY 2019-20 Reserve Study. The last reserve study completed before the FY 2024-25 Study and available on our website is the study completed for FY 2019-20 (FY 2019-20 Study).² While not a professional study, the FY 2019-20 Study and a 2017 Component Detail on which it was based appear to have been well researched and thoughtfully prepared by knowledgeable residents. Both documents address the projected lifespan, maintenance needs, and related expenses for a detailed list of components. This list overlaps with components covered in the FY 2024-25 Study. The most critical distinction between the studies is the FY 2019-20 Study funded maintenance and repair for a broader range of components than the FY 2024-25 Study and presented the potential expenses in greater detail (e.g. expenses were broken out by pond and the system/component within the pond such as sumps, liner, dredging). The additional funded expenses relate primarily to our stormwater collection system and three stormwater ponds. As noted above, the FY 2024-25 Study acknowledged these items might need funding in the future. The FY 2019-20 Study is largely consistent with earlier studies.

Based on an assumption certain work would be completed between 2019 and 2026 (Spinnaker Pond clean out at \$6,898 and sump clean out for all ponds at \$5,821), the FY 2019-20 Study projected the amount needed for full funding in 2026 would be \$47,372. Adding back the funds for work that has not been done (the Spinnaker and sump clean out), suggests the amount needed in 2026 for full funding under the FY 2019-20 Study would be \$60,091. This is well above the amount available in our Asset Reserve account.

Differing Conclusions. As summarized above, the FY 2019-20 Study and FY 2024-25 Study predict substantially different values for full funding in FY 2026-27. This is in part because the FY 2019-20 Study predicted more in expenses to maintain our stormwater collection system and ponds than predicted by the FY 2024-25 Study. The FY 2024-25 Study did, however, acknowledge that more funding might be needed in the future for the same components for which the FY 2019-20 Study predicted higher expenses.

Combined, these factors support a cautious approach to reliance on any assumption we are more than fully funded. This further supports a decision to restart reserve contributions at no less than the rate suggested in the FY 2024-25 Study and through use of the UPlanit software, which allows updating based on that study. It also supports a proactive and participatory approach to the next professional reserve study as discussed below (“Next Professional Study”).

² Minutes from the June 2020 Annual Meeting refer to approval of a study for FY 2020-21. That study was not posted to our website. A search of our files produced a copy of a one-page Assessment and Reserve Funding Disclosure Summary for FY 2020-21. The underlying report has not been located. This Disclosure Summary projected a Reserve Fund Balance of \$41,184 on July 1, 2020, which equated to a 111.6% fully funded balance. It includes a recommended contribution of \$2,966 for full funding but a planned contribution of \$0. No Reserve Fund contributions were made during that or any subsequent fiscal year.

V. 2026 Reserve Study Update

- A. Component Detail.** Except as otherwise noted, this Reserve Study Update incorporates the component detail, discussion and recommendations in the 2024-25 Study, including that study's acknowledgement that additional funding may be needed for some components relating to the stormwater collection system and ponds. We include the caveat the next reserve study should pay particular attention to the component detail and recommendations in the FY 2019-20 Study as well as the maintenance plan being developed by our Pond Steward to determine if additional funding is needed as to any components.
- B. Visual Inspection.** Components listed below include those for which funding was provided in the FY 2024-25 Study and some for which that study acknowledged funding might be warranted in the future. These components have been inspected by the Board President (Virginia Vroegop) and Vice President and Vegetation Management Chair (Gail DeLuke). Components included in the stormwater and pond system have also been inspected by the Pond Steward (Pete Porter).

The following conditions and concerns are noted and corrections or further inspection planned during FY 2026-27:

1. **Gazebo.** The Gazebo does not appear to require any repair or maintenance in the coming year. The trail to the Gazebo was cleared by community volunteers in late summer 2025, facilitating inspection. All components should be inspected annually with particular attention paid to the roof and supporting posts. We incorporate the FY 2024-25 Study's description and projected expenses for this component.
2. **Landscape.** No major landscape maintenance/refurbishment is anticipated in the coming year. A number of deferred maintenance projects were completed in FY 2025-26 without using Asset Reserve funds. These were accomplished in part using volunteer labor and with use of VMC and Capital Improvements line item funds supplemented by approved transfer of contingency funds to this line item. We incorporate the FY 2024-25 Study's description and projected expenses for this component.
3. **Community Monuments.** The monuments were primed and repainted in FY 2025-26 with volunteer labor. Paint and supplies were paid for from the VMC and Capital Improvements line item. The metal signs on the monuments were purchased in 2019. Per the FY 2019-20 Study, the metal signs have an anticipated life of 10 years. Currently, there is no anticipated need for repairs

in the next few years. We incorporate the FY 2024-25 Study's description and projected expenses for this component.

4. **Mailboxes.** Two mailboxes have required minor repair during the last year. One repair was completed by a volunteer at no cost. The other, a lock repair, was paid from operational funds as a miscellaneous item and may require an end-of-year budget adjustment as it resulted in exceeding the budgeted amount for the miscellaneous line item. We incorporate the FY 2024-25 Study's description and projected expenses for this component.

5. **Spinnaker Pond.** The Spinnaker Pond is heavily overgrown with cattails and three multitrunked trees. There is additional growth in culverts and around the pond which should be cut back to ensure access and avoid debris falling into the pond or blocking outflow. This clearing is beyond the work included in regularly funded annual trimming and mowing in and around ponds. After clearing of trees and cattails, a determination will be made whether there is excess silt buildup, which will be addressed if needed. Absent a need to remove silt, the cost of this work should not exceed \$10,000, however, as noted below, some additional work is needed in other ponds and in the stormwater collection system. The FY 2024-25 Study included \$15,000 for "Wet Pond" work, which that study assumed included Spinnaker and the Woods Pond. As explained below, it appears all of our ponds are wet ponds. See Pond Steward Note. The FY 2024-25 Study did not specify the categories of work other than noting non-routine maintenance might include sediment removal and structural repairs. We incorporate the FY 2024-25 Study's description and projected expenses for ponds, without limitation to specific ponds and modified to project total expenses in FY 2024-25 of up to \$15,000 for all ponds and any necessary stormwater collection system repairs (items 6 and 7 below).

Pond Steward's Note. All of our ponds are considered wet detention ponds. A detention pond is considered wet if it has a permanent pool of water throughout the year or at least throughout the wet season. The purpose of a wet pond is to filter out pollutants and sediments. A dry pond drains completely between rain events and its purpose is flood control. These definitions are found in various county Storm Water Management System handbooks which are based on WA Department of Ecology standards and publications. Our ponds are all designed to retain water to allow filtering and therefore meet the definition of a wet detention pond.

6. **Woods and Double-Cell Ponds.** Both ponds appear to be in good working order though some excess brush needs to be cut back to ensure access and

avoid debris falling into the ponds. This clearing is beyond the work included in regularly funded annual trimming and mowing in and around ponds. While no sumps currently appear to be blocked, all sumps need to be inspected and a determination made whether they need to be cleaned out. The cost of this work should not exceed \$2,000 if sump cleaning is not required but could exceed \$5000 if sumps must be cleaned. Cost for these items is included above in the anticipated expense of up to \$15,000 for all ponds. We incorporate the FY 2024-25 Study's description and projected expenses for these components as modified in this and the preceding paragraph.

7. **Stormwater Collection System.** The pond steward has located most but not all components of this system and is in the process of locating the rest. Thus far, there do not appear to be any blockages. At least one beehive cover needs to be replaced to avoid allowing debris to enter the drainage pipes. This should be funded from the Asset Reserve as a component included but not funded in the study. Estimated Expense, \$200.
8. **Expert Evaluation.** Expert evaluation will likely be needed to assist in establishing a longterm maintenance plan for our Stormwater Collection and Pond systems. The Board will explore whether this may appropriately be paid from the Asset Reserve or should be paid from contingency funds.

VI. **Tables.** Updated tables reflecting thirty-year expenditures, contributions and balances under two alternate contribution levels are attached to this report. These tables were prepared using UPlanit software with data incorporated from the FY 2024-25 Study and anticipated expenses as noted above. These tables are incorporated into this report. Key values are set out at the beginning of this Reserve Study.

VII. **Next Professional Study.** The community will have a professional study completed in the Fall of 2026. The professional will be asked to consider the maintenance needs addressed in prior self-studies completed by this community as well as input from our Pond Steward. Prior to scheduling the study, the Pond Steward will endeavor to complete a stormwater system maintenance plan, possibly with input from an expert in storm water collection systems and related ponds.

Attached Tables:

Thirty-Year Cash Flow Summaries at Full Funding and Baseline Levels.

Timberton Village Homeowners Association - 22226-2a
Full funding - 30 year cash flow summary

30 - yr Summary

					Net After Tax Interest: 2.0%		Avg 30-Yr 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	Reserve Funding	Loan or Special Assmt	Interest Income	Reserve Expenses
2026	\$42,580	\$32,310	131.8%	Low	\$2,710	\$0	\$735	\$15,000
2027	\$31,025	\$20,676	150.1%	Low	\$2,791	\$0	\$654	\$0
2028	\$34,471	\$24,227	142.3%	Low	\$2,875	\$0	\$725	\$0
2029	\$38,071	\$27,974	136.1%	Low	\$2,961	\$0	\$798	\$0
2030	\$41,831	\$31,923	131.0%	Low	\$3,050	\$0	\$875	\$0
2031	\$45,756	\$36,084	126.8%	Low	\$3,142	\$0	\$955	\$0
2032	\$49,853	\$40,466	123.2%	Low	\$3,236	\$0	\$1,039	\$0
2033	\$54,127	\$45,079	120.1%	Low	\$3,333	\$0	\$1,126	\$0
2034	\$58,587	\$49,932	117.3%	Low	\$3,433	\$0	\$1,166	\$5,067
2035	\$58,118	\$49,816	116.7%	Low	\$3,536	\$0	\$1,176	\$3,262
2036	\$59,568	\$51,665	115.3%	Low	\$3,642	\$0	\$1,158	\$8,063
2037	\$56,305	\$48,734	115.5%	Low	\$3,751	\$0	\$1,174	\$0
2038	\$61,230	\$54,136	113.1%	Low	\$3,864	\$0	\$1,275	\$0
2039	\$66,369	\$59,818	111.0%	Low	\$3,980	\$0	\$1,017	\$35,979
2040	\$35,386	\$28,734	123.2%	Low	\$4,099	\$0	\$756	\$0
2041	\$40,241	\$33,901	118.7%	Low	\$4,222	\$0	\$619	\$23,370
2042	\$21,713	\$15,282	142.1%	Low	\$4,349	\$0	\$482	\$0
2043	\$26,543	\$20,308	130.7%	Low	\$4,479	\$0	\$581	\$0
2044	\$31,604	\$25,622	123.3%	Low	\$4,614	\$0	\$616	\$6,810
2045	\$30,023	\$24,222	124.0%	Low	\$4,752	\$0	\$654	\$0
2046	\$35,429	\$29,939	118.3%	Low	\$4,895	\$0	\$765	\$0
2047	\$41,088	\$35,978	114.2%	Low	\$5,041	\$0	\$880	\$0
2048	\$47,010	\$42,352	111.0%	Low	\$5,193	\$0	\$1,001	\$0
2049	\$53,204	\$49,077	108.4%	Low	\$5,348	\$0	\$1,128	\$0
2050	\$59,680	\$56,166	106.3%	Low	\$5,509	\$0	\$1,260	\$0
2051	\$66,449	\$63,637	104.4%	Low	\$5,674	\$0	\$1,398	\$0
2052	\$73,522	\$71,505	102.8%	Low	\$5,873	\$0	\$1,543	\$0
2053	\$80,938	\$79,789	101.4%	Low	\$6,078	\$0	\$1,695	\$0
2054	\$88,711	\$88,505	100.2%	Low	\$6,291	\$0	\$1,762	\$9,152
2055	\$87,612	\$88,246	99.3%	Low	\$6,511	\$0	\$1,834	\$0

Baseline funding - 30 year cash flow summary

					Net After Tax Interest: 2.0%		Avg 30-Yr 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	Reserve Funding	Loan or Special Assmt	Interest Income	Reserve Expenses
2026	\$42,580	\$32,310	131.8%	Low	\$1,920	\$0	\$727	\$15,000
2027	\$30,227	\$20,676	146.2%	Low	\$1,978	\$0	\$630	\$0
2028	\$32,835	\$24,227	135.5%	Low	\$2,037	\$0	\$683	\$0
2029	\$35,555	\$27,974	127.1%	Low	\$2,098	\$0	\$739	\$0
2030	\$38,392	\$31,923	120.3%	Low	\$2,161	\$0	\$797	\$0
2031	\$41,350	\$36,084	114.6%	Low	\$2,226	\$0	\$857	\$0
2032	\$44,433	\$40,466	109.8%	Low	\$2,293	\$0	\$920	\$0
2033	\$47,645	\$45,079	105.7%	Low	\$2,361	\$0	\$986	\$0
2034	\$50,992	\$49,932	102.1%	Low	\$2,432	\$0	\$1,003	\$5,067
2035	\$49,360	\$49,816	99.1%	Low	\$2,505	\$0	\$989	\$3,262
2036	\$49,592	\$51,665	96.0%	Low	\$2,580	\$0	\$946	\$8,063
2037	\$45,054	\$48,734	92.4%	Low	\$2,658	\$0	\$936	\$0
2038	\$48,648	\$54,136	89.9%	Low	\$2,737	\$0	\$1,010	\$0
2039	\$52,395	\$59,818	87.6%	Low	\$2,820	\$0	\$723	\$35,979
2040	\$19,959	\$28,734	69.5%	Medium	\$2,904	\$0	\$432	\$0
2041	\$23,295	\$33,901	68.7%	Medium	\$2,991	\$0	\$265	\$23,370
2042	\$3,181	\$15,282	20.8%	High	\$3,081	\$0	\$95	\$0
2043	\$6,358	\$20,308	31.3%	Medium	\$3,173	\$0	\$160	\$0
2044	\$9,692	\$25,622	37.8%	Medium	\$3,269	\$0	\$160	\$6,810
2045	\$6,310	\$24,222	26.1%	High	\$3,367	\$0	\$161	\$0
2046	\$9,839	\$29,939	32.9%	Medium	\$3,468	\$0	\$234	\$0
2047	\$13,540	\$35,978	37.6%	Medium	\$3,572	\$0	\$309	\$0
2048	\$17,421	\$42,352	41.1%	Medium	\$3,679	\$0	\$389	\$0
2049	\$21,489	\$49,077	43.8%	Medium	\$3,789	\$0	\$472	\$0
2050	\$25,750	\$56,166	45.8%	Medium	\$3,903	\$0	\$559	\$0
2051	\$30,212	\$63,637	47.5%	Medium	\$4,020	\$0	\$650	\$0
2052	\$34,882	\$71,505	48.8%	Medium	\$4,141	\$0	\$746	\$0
2053	\$39,769	\$79,789	49.8%	Medium	\$4,265	\$0	\$846	\$0
2054	\$44,880	\$88,505	50.7%	Medium	\$4,393	\$0	\$858	\$9,152
2055	\$40,979	\$88,246	46.4%	Medium	\$4,525	\$0	\$873	\$0