

Our HOA owns certain common elements that require routine maintenance, repair, and periodic replacement once components have reached the end of their functional life. Past Boards have merely set aside sums that, in their subjective discretion and lay opinion, were deemed sufficient to cover these costs. There has never been a baseline reserve study performed by a professional and qualified expert. As such, the HOA has been operating for 20+ years with no objective basis for calculating the annual expense for the regular maintenance, repair and replacement of the common elements.

As such, we engaged Miller Dodson, a company of qualified experts, that, not unsurprisingly, found that the portion of our annual assessments set aside in years past for the maintain of our common elements is insufficient to maintain, repair, and replace the same. Case in point, we had to expend association funds to repair the front entrance lighting (which had gone years without proper maintenance and repair) and complete the turf landscaping and irrigation at the lake lot (to eradicate the bare spots and sand spurs that appeared because no funds had been expended on the turf of the lake lot). Both of those projects should have had reserved funds available and earmarked for regular maintenance.

The HOA has a duty to maintain its common elements for the benefit of all home owners. Part of that duty is objectively understand and quantify the annual expenditures necessary to maintain those elements and replace them as they reach their end-of-life. Thanks to Miller Dodson, we now have that objective opinion with a replacement schedule that is quantified.

As such, the final version of the reserve study should be adopted by this Board as the objective schedule for the regular maintenance, repair, and replacement of the now-existing common elements. Once adopted, the regular annual assessments shall be set so as to continue our existing operating budget and the necessary funds quantified in the reserve study to adequately maintain our common elements. It is my recommendation that future Boards continue the amount of annual assessments that shall be set for CY 2018 for 2019, 2020, and 2021 and that for CY 2022 an update to the reserve be commissioned to ascertain our then-current funding levels. Necessary changes, up or down, to the annual assessment for CY 2022 can then be made by the then-current Board.