Lake of the Woods Association, Inc.
Resolution 2017-20
An Administrative Resolution
Adoption of the Replacement Reserve Report

WHEREAS, Virginia law requires property owners’ associations to, “Conduct at least once every five years a study to determine the necessity and amount of reserves required to repair, replace and restore the capital components,” and

WHEREAS, the Board awarded a contract to Miller-Dodson Associates, Inc. on May 6, 2017 to prepare an updated Level II Replacement Reserve Report addressing all items that the Association must repair, replace, restore, or maintain over a 40 year timeframe; and

WHEREAS, following Board direction and best practices, the General Manager, Facilities Director and Finance Director have worked with Miller-Dodson on the Report to place the replacement capital components and related costs in the approximate year in which they are needed to then determine the Contribution to Reserves and the Capital Spending Plan for the Repair and Replacement Reserve items for FY 2018-2019; and

WHEREAS, on October 18, 2017 and October 23, 2017 the Board considered changes to the draft report; and

WHEREAS, the Board desires to adopt said Report to comply with the law and provide the Association with a strategic planning tool.

THEREFORE, RESOLVED, the Board hereby agrees to the following:

SECTION I: OVERALL

The Replacement Reserve Analysis, prepared by Miller-Dodson Associates, Inc. dated October 26, 2017 is hereby adopted for planning purposes as the FY 2018 Replacement Reserve Report, in the amount of $1,669,992 using the Cash Flow Method of calculating minimum annual funding. The Cash Flow Method is defined as follows:

“The Cash Flow Method calculates the Minimum Annual Funding of Replacement Reserves that will fund Projected Replacements identified in the Replacement Reserve Inventory from a common pool of Replacement Reserves and prevents Replacement Reserves from dropping below a Minimum Recommended Balance.”

SECTION II: CONTRIBUTION TO RESERVES

As part of the FY 2018-2019 Annual Budget, the General Manager will propose a Contribution To Reserves amount after considering different ways of lowering the impact on the annual assessment.
FURTHER, RESOLVED, any revisions to the Replacement Reserve Report must be accomplished by written instructions approved by the Board.

FURTHER, RESOLVED, the General Manager is directed to work with Miller-Dodson to update the Report each year by no later than October 1, and to review the results with the Board of Directors in a timely manner.

Effective: Immediately

LAKE OF THE WOODS ASSOCIATION, INC.

By: Larry Moran, President

ATTEST:

I, as Secretary for Lake of the Woods Association, Inc., hereby attest that the foregoing Administrative Resolution 2017-20 was adopted by the Board of Directors at a duly-held and noticed Board of Directors meeting held on the 4th day of November, 2017.

Jennifer Zukowski, Secretary