

# 2171872 Mason County WA

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LAKE CUSHMAN

Lake Cushman Maintenance Company  
3740 N. Lake Cushman Road  
Hoodsport, WA 98548

## **Document Title:**

**Lake Cushman Maintenance Company Board Resolution 07-21 LCMC  
Relating to Reserve Level Funding.** Approved at the November 18, 2021, meeting  
of the Lake Cushman Maintenance Company Board of Directors.

## **Grantor:**

Lake Cushman Maintenance Company

## **Grantees:**

Public

## **Legal Description:**

Plat of Lake Cushman Divisions I through 19; Eastside 1 Plat; Westside I Plat;  
Westside 2 Plat, Westside 3 Plat



**LAKE CUSHMAN MAINTENANCE COMPANY**  
*Homeowners Association for The Lake Cushman Development*  
3740 N Lake Cushman Road, Hoodspport, WA 98548-9711  
(360) 877-5233 FAX: (360) 877- 6713  
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## **Lake Cushman Maintenance Company**

### **POLICY RESOLUTION NUMBER #07-21**

Relating to Reserve Level Funding

**WHEREAS**, the Lake Cushman Maintenance Company (LCMC) is a Home Owner's Association (HOA) Incorporated in the state of Washington, and

**WHEREAS**, the State of Washington requires that HOAs have a reserve study prepared in accordance with RCW 64.38.070, and

**WHEREAS**, LCMC had such a study completed in 2016 and updated periodically since, and

**WHEREAS**, such studies provide a "best guess" analysis of when a community's assets will require major repair or replacement, and

**WHEREAS**, LCMC has significant in-house capability to extend the useful life of its assets, and

**WHEREAS**, projects in some cases may be reduced in scope, incremented over time, or postponed indefinitely, and

**WHEREAS**, state law requires LCMC adopt a plan to fund the reserve study, and

**WHEREAS**, LCMC desires to avoid assessing members for funds that are not needed soon, and

**NOW, THEREFORE, BE IT RESOLVED THAT,**

1. LCMC policy is to consider the association's Reserve Study a long-range expense planning document, and
2. LCMC will adopt the Reserve Study's Baseline Funding Option (Option 5) as follows:
  - a. In preparing its annual budget proposal, LCMC will review the items identified in the most recent Reserve Study, and
  - b. Department heads will include required non-capital items in their operating budget proposals, and
  - c. Capital items that have been verified needing to be done will be placed in the Capital Investment Plan (CIP), and
  - d. Program years may be adjusted when feasible to level out funding required from year-to-year, and



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- e. LCMC will look at placing next year's capital projects into next year's Operating Budget, and
  - f. Capital projects that exceed what can be funded in next year's Operating Budget will be placed in a Capital Reserve Budget, and
  - g. There will be separate Capital Reserve Budgets for water and HOA projects if there are both water and non-water projects to be funded, and
  - h. The Capital Reserve Budget(s) will be funded through available reserve funds and/or a reserve assessment for that year, and
  - i. LCMC will include in its annual Operating Budget or Capital Reserve Budget(s) such contributions to reserve accounts as are deemed necessary to be able to respond quickly to unplanned projects, with the understanding that further funding may be needed at the time to complete the project, and
  - j. The Board of Directors may by majority vote elect to change projects intended to be funded by a reserve assessment to deal with emergent or mandated requirements, and
  - k. Any funds left over after completing projects funded by the Capital Reserve assessment(s) shall be deposited to into the applicable reserve account for future use, and
3. The Operating Budget shall be funded through the normal assessments for water, and homeowner's association (HOA) fees, as defined in the latest version of LCMC governing documents, and
  4. The Capital Reserve Budget(s) shall be funded through annual reserve assessments in amounts to be determined at the time, and
  5. The Operating Budget and Capital Reserve Assessment shall be ratified separately in accordance with the RCWs in effect at the time, and
  6. The LCMC Board of Directors will review this policy periodically and may vary from it provided at least six directors vote affirmatively to do so, and such action is not in violation of LCMC governing documents or state law.

Adopted by the Lake Cushman Maintenance Company's Board of Directors on this 18th day of November 2021.

  
Richard Krase, Board President

  
Debra Snoey, Board Secretary