

ANNA COVES

PROPERTY OWNERS ASSOCIATION

2026 REPLACEMENT RESERVE STUDY UPDATE

Prepared for the ACPOA Board of Directors

October 2026

Based on and updating: Miller-Dodson Associates, Inc. Replacement Reserve Report FY2010 (Revised June 2, 2010)

Approved by the ACPOA Board of Directors at its October 17, 2026 meeting

Prepared by Association Counsel using CPI-adjusted 2010 baseline data, current project costs, current Board condition assessments, and a rebuilt 30-year funding analysis.

Executive Summary

This report updates the Association's 2010 Replacement Reserve Study (Miller-Dodson Associates) to reflect current (2026) dollars, the completed replacement of the main slip dock, the Board-approved repair of the old launch dock, the Board's decision to discontinue maintenance of the floating buoys, the Board's assessment that the rip-rap bank protection does not need replenishment at this time, and the Association's current reserve balance and funding level. It also rebuilds the Cash Flow Method and Component Method funding schedules used to evaluate whether the current \$100 per lot annual assessment (116 lots, \$11,600/year) remains adequate. This updated Reserve Study was approved by the ACPOA Board of Directors at its October 17, 2026 meeting.

Key figures

- Reported reserve balance, prior to the dock project: \$155,951.39
- Main slip dock replacement — final cost (complete, per 10/17/2026 Board minutes): \$125,595
- Balance remaining after the dock project (as reported 10/17/2026): \$30,356
- Old launch dock repair — Shoreline Services contract approved 10/17/2026: \$13,000
- New dock benches (2), purchased and installed with the main slip dock project: \$1,223.50
- Adjusted beginning balance for this funding analysis (after all three 2026 capital items): \$16,132.89
- Updated one-time replacement cost, full inventory (2026 dollars): \$160,624
- Minimum recommended reserve balance (5% of one-time cost): \$8,031
- Current annual funding: \$11,600/year (\$100/lot × 116 lots)
- Cash Flow Method minimum annual funding, study year 2026: \$7,217/year (\$62.22/lot/year, \$5.18/lot/month)
- Component Method recommended annual funding, study year 2026: \$17,197/year (\$148.25/lot/year, \$12.35/lot/month)

Bottom line for the Board

Current funding of \$100/lot/year sits between the two accepted funding methods: it clears the Cash Flow (pooled) Method's minimum of roughly \$62.22/lot/year, but it now falls meaningfully short of the more conservative Component Method's recommended level of roughly \$148.25/lot/year. Modeled forward 30 years, the current \$100/lot assessment does not produce a negative balance under the Cash Flow approach and grows the fund to an estimated \$224,387 by 2055. On that basis, an immediate increase is not strictly required to avoid insolvency.

That said, the combination of the 2026 capital projects has left the reserve considerably thinner than this report's August 2026 draft assumed. Funding the main dock (\$125,595), the launch dock repair (\$13,000), and the two new dock benches purchased with the dock project (\$1,223.50) from the reported balance of \$155,951 leaves an adjusted beginning balance of only \$16,133 — roughly 2.0x the minimum recommended balance of \$8,031. We recommend the Board treat this as a stronger planning trigger than before: (1) nine site and recreation components are already past their 2010-projected replacement date and are bundled into 2026 in this model; (2) the reserve's cushion above the minimum recommended balance is now thin; and (3) the Component Method's funding percentage has dropped to roughly 38%, below what a reserve study would typically consider well-funded. We recommend the Board (a) confirm and prioritize the overdue items against current field conditions and the photos in this report, and (b) seriously consider phasing the assessment toward the Component Method figure over the next 2-3 years, particularly ahead of the projected 2040-2041 expenditure spike (concrete boat ramp, picnic shelter roofing, and both docks' next decking cycle).

Assumptions and Methodology

1. Inflation adjustment

Each 2010 replacement cost was adjusted to 2026 dollars using the Consumer Price Index for All Urban Consumers (CPI-U, U.S. city average, not seasonally adjusted, 1982-84=100), per the Bureau of Labor Statistics: 217.965 in June 2010 and 333.952 in June 2026, a multiplier of 1.5321. No further inflation is projected across the 30-year study period, consistent with the 2010 report's own methodology, which likewise held costs constant in nominal terms.

2. Main slip dock — complete

The main slip dock (2010 Items #15-16, decking and structure) has been replaced. Per the Board's October 17, 2026 meeting minutes, the final cost was \$125,595, which is used here in place of an inflation-adjusted estimate. This cost is treated as funded from the reserve balance in 2026. Future dock cycles (a mid-life decking replacement around 2041 and a full structural replacement around 2056) are carried forward at inflation-adjusted 2026 costs, consistent with the new dock's at-least-30-year life expectancy.

3. Old launch dock repair — approved

Per the Board's October 17, 2026 meeting, the Board approved a \$13,000 contract with Shoreline Services to reposition the launch dock's poles, install new ledgers and joists, and add new composite decking matching the main slip dock (2010 Items #17-18). Because this work substantially rebuilds both the decking and the supporting structure, it is modeled the same way as the main dock: the actual contract cost is treated as funded from the reserve balance in 2026, and the launch dock's remaining useful life is reset to a full cycle from 2026 (future decking cycle around 2041, full structural cycle around 2056). The Board should confirm this treatment reflects the actual scope of work performed; a more limited repair that leaves the underlying structure on its original timeline would call for a smaller life-cycle reset.

4. New dock benches

Two new dock benches were purchased and installed as part of the main slip dock project, at an actual cost of \$1,223.50. This is a new capital asset not present in the 2010 inventory (added here as Item #22); it is treated the same way as the dock itself — funded from the reserve balance in 2026, with a first future replacement cycle modeled around 2041 on the same 15-year life used for the Association's other benches (2010 Item #14).

5. Combined effect on the reserve balance

The Association's reported reserve balance was \$155,951.39 before the dock project. Per the Board's October 17 report, \$30,356 remained after the \$125,595 dock cost. The \$13,000 launch dock contract approved at the same meeting and the \$1,223.50 dock benches were not yet reflected in that balance, so this analysis further nets both out, producing an adjusted beginning balance of \$16,132.89 for the Cash Flow and Component Method calculations that follow.

6. Floating buoys removed

Per the Board's decision to discontinue maintenance of the floating buoys (2010 Item #21), this item has been removed from the Replacement Reserve Inventory and the funding schedule entirely.

7. Rip-rap bank protection

Per the Board's 2026 assessment that the rip-rap bank protection (2010 Item #5) is in good condition, this item has been removed from scheduled replacement funding. It remains listed in the inventory table below for reference, at an estimated 2026 cost of \$1,532, but is not included in the projected expenditure schedule or either funding method. The Board may reinstate it in a future update if conditions change.

8. Remaining useful life as of 2026

Where a documented repair/replacement date was available (gravel drive, wood retaining wall, site signage, picnic shelter roofing, sand beach), remaining life was recalculated from that date. Where no such date was available, we carried forward the 2010 projected due date. Items whose projected due date has already passed are modeled as

being replaced in 2026 (the current study year); the Board should confirm actual priority and timing against current field conditions and the photos in the next section, rather than treating 2026 as a literal single-year expenditure cliff.

9. Study period and methods

Consistent with the 2010 report, this update evaluates a 30-year Study Period (2026-2055) under the two industry-standard approaches: the Cash Flow Method (a pooled fund, calculating the minimum constant annual deposit that keeps the balance from falling below a Minimum Recommended Balance of 5% of the one-time replacement cost, recalculated at each funding 'peak'), and the Component Method (a HUD-derived model that funds each component as its own sinking fund, and is typically more conservative).

Updated Replacement Reserve Inventory

The table below carries forward the 2010 Replacement Reserve Inventory (Section B of the Miller-Dodson report) at CPI-adjusted 2026 costs, with the rip-rap, main slip dock, old launch dock, and floating buoys treated as described above, and a new Item #22 added for the new dock benches.

Item	Description	Normal Life (yrs)	Remaining Life, 2026	2010 Cost	2026 Cost (Updated)	Notes
1	Repoint stone entrance feature, 10%	15	Overdue 16 yrs	\$285	\$437	
2	Entry monument wood frame, stained	15	Overdue 10 yrs	\$640	\$981	
3	Entry monument sign letters, plastic	18	Overdue 6 yrs	\$270	\$414	
4	Gravel drive, replenish 1.5"	8	5	\$2,818	\$4,317	
6	Entry gate, metal	35	4	\$4,250	\$6,512	
7	Split rail fence (wood)	15	Overdue 6 yrs	\$400	\$613	
8	Wood retaining wall @ sand beach, 20%	5	Overdue 2 yrs	\$550	\$843	
9	Site signage	5	Overdue 1 yr	\$600	\$919	
10	Landscaping @ front entrance, allow.	10	Overdue 1 yr	\$1,000	\$1,532	
11	Picnic shelter roofing, asphalt	18	14	\$4,100	\$6,282	
12	Picnic shelter structure	36	9	\$8,500	\$13,023	
13	Picnic tables	15	Overdue 10 yrs	\$4,050	\$6,205	
14	Benches	15	Overdue 11 yrs	\$750	\$1,149	
19	Concrete boat ramp	40	14	\$9,600	\$14,708	
20	Sand beach, replenish	10	5	\$1,350	\$2,068	
15	Boat dock decking (mid-life replacement, main slip dock)	15	15	\$23,750	\$36,388	Folded into actual dock contract cost below; shown here for its future (c.2041) mid-life cycle only.
16	Boat dock structure (full replacement, main slip dock)	30	30	\$35,625	\$54,582	Folded into actual dock contract cost below; shown here for its future (c.2056) full-replacement cycle only.
17	Boat launch decking (mid-life replacement, launch dock)	15	15	\$2,200	\$3,371	Folded into actual launch dock repair cost below; shown here for its future (c.2041) mid-life cycle only.
18	Boat launch structure (full replacement, launch dock)	30	30	\$3,300	\$5,056	Folded into actual launch dock repair cost below; shown here for its future (c.2056) full-replacement cycle only.
22	Dock benches (2), main slip dock — new 2026 addition	15	15 (new)	N/A	\$1,224	New capital asset, not in the original 2010 inventory. Purchased and installed with the 2026 main slip dock project; actual cost shown. Funded in 2026; future replacement cycle begins c.2041.
5	Rip-Rap bank protection, replenish, 20% — NOT SCHEDULED	10	N/A	\$1,000	\$1,532	Board assessed condition as good in 2026; replenishment not currently scheduled or funded.
15/16	Main slip dock (decking & structure) — REPLACED, complete	—	2026	\$59,375	\$125,595	Final actual contract cost, per 10/17/2026 Board minutes, used in place of inflation estimate.
17/18	Old launch dock (decking & structure) — REPAIR APPROVED	—	2026	\$5,500	\$13,000	Shoreline Services contract approved 10/17/2026 (poles, ledgers/joists, composite decking); actual contract cost used in place of inflation estimate.

Item	Description	Normal Life (yrs)	Remaining Life, 2026	2010 Cost	2026 Cost (Updated)	Notes
21	Floating buoys — REMOVED	2	N/A	\$350	\$0	No longer maintained per Board decision; excluded from inventory and schedule.

Current Condition of Reserve Components

The following 2026 photos are grouped by component and provided for the Board's reference alongside the updated inventory.

Entrance Monuments, Sign, Wood Framing, and Gate (Items #1-#3, #6)



West entrance monument and sign, straight-on view (Items #1-#3)



West entrance monument, wider view with landscaping (Items #1-#3)



East entrance monument at Route 208 (Items #1-#3)



West entrance monument, corner detail with coursed stonework (Item #1)



Entrance monument cap — cracked/spalled cap stone, consistent with the overdue repointing item (Item #1)



East-side monument corner and cap detail near Route 208 (Item #1)



Monument pier corner detail, coursed stonework (Item #1)



Monument cap — visible cracked/failing mortar joint (Item #1)



Wood-panel infill between stone piers, overall view (Item #2)



Wood-panel infill, close view — weathering and surface staining visible (Item #2)



Metal pipe-rail entrance gate at the recreation area, open (Item #6)



Metal pipe-rail entrance gate, closed (Item #6)

Split Rail Fence and Gravel Drive (Items #4, #7)



*Gravel drive and split rail fence — fence rail appears loose/leaning
(Items #4, #7)*



*Split rail fence near the picnic shelter — appears in sound condition
(Item #7)*

Old Launch Dock, New Main Slip Dock, and Concrete Boat Ramp (Items #15-#19)



*Boat launch dock and concrete boat ramp, prior to the approved repair
(Items #17-#19)*



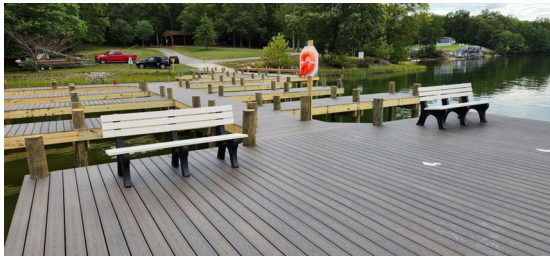
*Boat launch dock walkway, with the newly-replaced multi-finger main
slip dock visible beyond (Items #15-#16)*



Concrete boat ramp at the waterline — algae/staining visible on the lower ramp surface (Item #19)

New Main Slip Dock — Completed (Items #15-16, plus new dock benches)

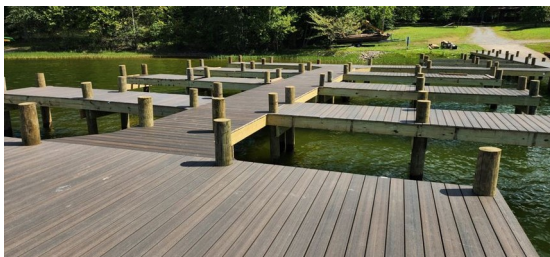
The photos below show the completed main slip dock project, including the two new dock benches (\$1,223.50) purchased and installed with the dock (see Item #22 in the inventory table and Methodology item 4).



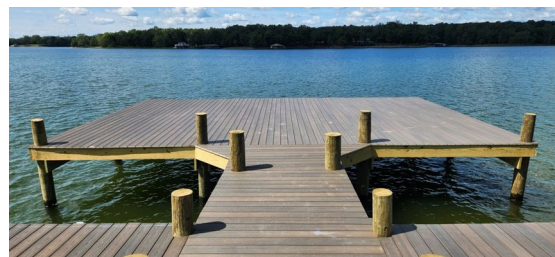
New main slip dock, with the two new dock benches in the foreground (Item #22, cost \$1,223.50)



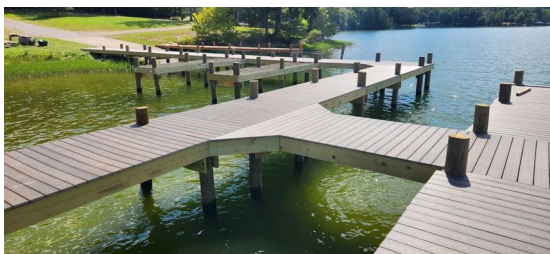
New main slip dock, straight-on view down the center walkway with finger slips on both sides (Items #15-#16)



New main slip dock, wider view with the old launch dock visible in the distance (Items #15-#16)



New main slip dock finger slip platform (Item #15)

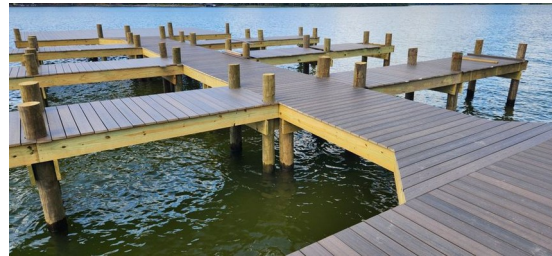


New main slip dock, distant view across the lake (Items #15-#16)



New main slip dock, elevated view down the center walkway (Items #15-#16)

Old launch dock alongside the new, wider main slip dock and concrete boat ramp (Items #15-#19)



New main slip dock, elevated close view of the finger slips (Items #15-#16)

Picnic Shelter (Items #11-#13)



Open-sided picnic shelter, exterior view (Items #11-#14)



Picnic shelter interior, lake-facing side (Items #11-#14)



Underside of picnic shelter roof — OSB decking and rafters/trusses (Item #11)



Underside of picnic shelter roof, alternate bay, showing truss plate connectors (Item #11-#12)



Picnic tables under the shelter, close view — Association currently has 9 tables (Item #13)

Sand Beach and Paver Retaining Wall (Item #20)



Sand beach access with paver edging — note pavers now in place of the 2010 wood timber retaining wall (Item #20, formerly Item #8)



Paver retaining wall along sand beach, alternate view



Sand beach and paver retaining wall, close view

Brick Masonry Grill (Not Funded from Replacement Reserves)



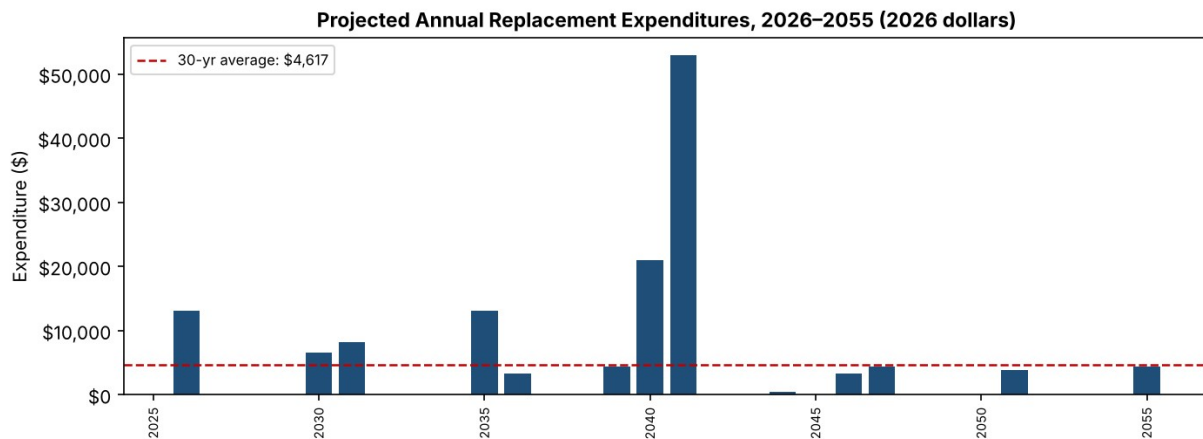
Brick masonry grill — a long-life item excluded from Replacement Reserve funding per the 2010 report; shown for reference only



Brick masonry grill, alternate view

30-Year Projected Annual Replacements (2026-2055)

Total projected expenditures over the Study Period (excluding the main slip dock and launch dock projects, which are funded in 2026 from the current balance): \$139,746, an average of \$4,658 per year.



Year	Scheduled Replacements	Total Expenditure
2026	Repoint stone entrance feature, 10%; Entry monument wood frame, stained; Entry monument sign letters, plastic; Split rail fence (wood); Wood retaining wall @ sand beach, 20%; Site signage; Landscaping @ front entrance, allow.; Picnic tables; Benches	\$13,093
2027	No scheduled replacements	\$0
2028	No scheduled replacements	\$0
2029	No scheduled replacements	\$0
2030	Entry gate, metal	\$6,512
2031	Gravel drive, replenish 1.5"; Wood retaining wall @ sand beach, 20%; Site signage; Sand beach, replenish	\$8,147
2032	No scheduled replacements	\$0
2033	No scheduled replacements	\$0
2034	No scheduled replacements	\$0
2035	Picnic shelter structure	\$13,023
2036	Wood retaining wall @ sand beach, 20%; Site signage; Landscaping @ front entrance, allow.	\$3,294
2037	No scheduled replacements	\$0
2038	No scheduled replacements	\$0
2039	Gravel drive, replenish 1.5"	\$4,317
2040	Picnic shelter roofing, asphalt; Concrete boat ramp	\$20,990
2041	Repoint stone entrance feature, 10%; Entry monument wood frame, stained; Split rail fence (wood); Wood retaining wall @ sand beach, 20%; Site signage; Picnic tables; Benches; Sand beach, replenish; Boat dock decking (mid-life replacement, main slip dock); Boat launch decking (mid-life replacement, launch dock); Dock benches (2), main slip dock — new 2026 addition	\$54,198
2042	No scheduled replacements	\$0
2043	No scheduled replacements	\$0
2044	Entry monument sign letters, plastic	\$414
2045	No scheduled replacements	\$0
2046	Wood retaining wall @ sand beach, 20%; Site signage; Landscaping @ front entrance, allow.	\$3,294
2047	Gravel drive, replenish 1.5"	\$4,317

Year	Scheduled Replacements	Total Expenditure
2048	<i>No scheduled replacements</i>	\$0
2049	<i>No scheduled replacements</i>	\$0
2050	<i>No scheduled replacements</i>	\$0
2051	Wood retaining wall @ sand beach, 20%; Site signage; Sand beach, replenish	\$3,830
2052	<i>No scheduled replacements</i>	\$0
2053	<i>No scheduled replacements</i>	\$0
2054	<i>No scheduled replacements</i>	\$0
2055	Gravel drive, replenish 1.5"	\$4,317

Reserve Funding Analysis

Cash Flow Method

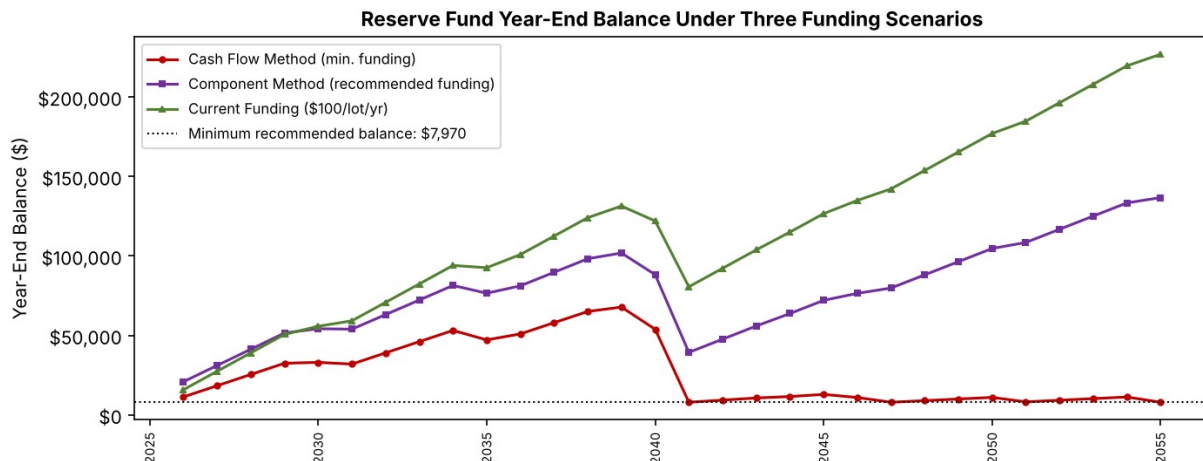
The Cash Flow (pooled) Method calculates the minimum constant annual deposit that keeps the reserve balance from falling below the Minimum Recommended Balance (\$8,031, 5% of the one-time replacement cost) between funding "peaks." Starting from the adjusted balance of \$16,132.89, the minimum annual funding for the study year (2026) is \$7,217 (\$62.22/lot/year). Funding peaks — years when the balance is drawn down to the minimum before the required deposit resets — occur in 2041, 2047, 2055, coinciding with the 2040-2041 expenditure spike (concrete boat ramp, picnic shelter roofing, and both docks' mid-life decking cycles).

Component Method

The Component Method funds each item as its own separate sinking fund and is the more conservative of the two accepted approaches. Based on a Current Funding Objective of \$42,237 and the adjusted balance funding only 38.2% of that objective, the Component Method recommends annual funding of \$17,197 for the study year (2026) (\$148.25/lot/year, \$12.35/lot/month). This figure rose meaningfully from the prior draft of this report once the launch dock repair cost was added to the adjusted beginning balance calculation — the funding percentage dropped from roughly two-thirds funded to just over 38% funded.

Current funding vs. the two methods

At \$100/lot/year (\$11,600 total), the Association is funding above the Cash Flow Method minimum but now well below the Component Method recommendation. Modeled forward, current funding keeps the balance positive throughout the 30-year Study Period and grows it to an estimated \$224,387 by 2055 — comfortably above both the Cash Flow Method balance (\$8,031) and the Component Method balance (\$137,917) at the end of the period. The Board should note this is a long-run comparison: the Component Method's study-year figure is front-loaded to catch the reserve up from its current under-funded position, and declines in later years once that catch-up is made (see the year-by-year table below).



Year	Expenditures	Cash Flow Deposit	Cash Flow Balance	Component Deposit	Component Balance	Current Funding Balance (\$100/lot)
2026	\$13,093	\$7,217	\$10,257	\$17,197	\$20,236	\$14,640
2027	\$0	\$7,217	\$17,474	\$10,410	\$30,646	\$26,240
2028	\$0	\$7,217	\$24,691	\$10,410	\$41,056	\$37,840
2029	\$0	\$7,217	\$31,908	\$10,410	\$51,466	\$49,440
2030	\$6,512	\$7,217	\$32,613	\$9,333	\$54,287	\$54,528
2031	\$8,147	\$7,217	\$31,683	\$8,009	\$54,150	\$57,981

Year	Expenditures	Cash Flow Deposit	Cash Flow Balance	Component Deposit	Component Balance	Current Funding Balance (\$100/lot)
2032	\$0	\$7,217	\$38,900	\$9,296	\$63,446	\$69,581
2033	\$0	\$7,217	\$46,117	\$9,296	\$72,742	\$81,181
2034	\$0	\$7,217	\$53,334	\$9,296	\$82,039	\$92,781
2035	\$13,023	\$7,217	\$47,528	\$8,264	\$77,280	\$91,358
2036	\$3,294	\$7,217	\$51,451	\$8,025	\$82,011	\$99,664
2037	\$0	\$7,217	\$58,668	\$8,636	\$90,647	\$111,264
2038	\$0	\$7,217	\$65,885	\$8,636	\$99,283	\$122,864
2039	\$4,317	\$7,217	\$68,785	\$8,019	\$102,986	\$130,147
2040	\$20,990	\$7,217	\$55,012	\$7,436	\$89,431	\$120,757
2041	\$54,198	\$7,217	\$8,031	\$4,109	\$39,343	\$78,159
2042	\$0	\$1,338	\$9,368	\$8,377	\$47,720	\$89,759
2043	\$0	\$1,338	\$10,706	\$8,377	\$56,098	\$101,359
2044	\$414	\$1,338	\$11,629	\$8,353	\$64,037	\$112,545
2045	\$0	\$1,338	\$12,967	\$8,377	\$72,414	\$124,145
2046	\$3,294	\$1,338	\$11,010	\$7,767	\$76,887	\$132,451
2047	\$4,317	\$1,338	\$8,031	\$7,761	\$80,331	\$139,734
2048	\$0	\$1,018	\$9,049	\$8,377	\$88,708	\$151,334
2049	\$0	\$1,018	\$10,068	\$8,377	\$97,086	\$162,934
2050	\$0	\$1,018	\$11,086	\$8,377	\$105,463	\$174,534
2051	\$3,830	\$1,018	\$8,275	\$7,707	\$109,341	\$182,304
2052	\$0	\$1,018	\$9,293	\$8,377	\$117,718	\$193,904
2053	\$0	\$1,018	\$10,311	\$8,377	\$126,096	\$205,504
2054	\$0	\$1,018	\$11,330	\$8,377	\$134,473	\$217,104
2055	\$4,317	\$1,018	\$8,031	\$7,761	\$137,917	\$224,387

Recommendations

- No immediate assessment increase is required to avoid a negative reserve balance: at \$100/lot/year, the fund is projected to remain solvent and grow throughout the 30-year Study Period under the Cash Flow Method.
- However, with both 2026 capital projects now reflected, current funding is well below the more conservative Component Method figure (~\$148.25/lot/year, ~\$12.35/month). The Board should discuss phasing in an increase over the next 2-3 years to rebuild the funding cushion that the dock and launch dock projects drew down.
- The October 17, 2026 minutes reference the committee's earlier Component Method estimate of \$120.10 per lot per year. This update's recalculated figure, incorporating the final dock cost and the launch dock repair, is now \$148.25/lot/year.
- Confirm and prioritize the nine site/recreation items modeled as due in 2026 against current field conditions and photos, and schedule replacements based on actual urgency rather than the single-year modeling convention used here.
- The Association currently has 9 picnic tables, matching the 2010 baseline used in this model's cost (\$4,050 in 2010 dollars / \$6,205 in 2026 dollars for 9 tables). The Board should decide whether to replace like-for-like (9 tables) or add a 10th table when this item is next replaced; adding one table would cost roughly \$689 more in 2026 dollars.
- Rip-rap bank protection (Item #5) has been removed from scheduled funding based on the Board's 2026 assessment that it is in good condition. Revisit this at the next update in case conditions change.
- Confirm whether the Shoreline Services launch dock repair resets the item's full remaining life, as modeled here, or is better treated as a partial repair that leaves part of the original replacement timeline in place; this materially affects the Component Method figures above.
- Revisit this Study every 3-5 years, or sooner after completion of any other major replacement, consistent with the original 2010 report's guidance.