



Your Community.
Our Commitment.

AVALON GROVES

COMMUNITY DEVELOPMENT DISTRICT

Advanced Workshop Package

Date/Time:

Thursday

March 12, 2026

10:00 a.m.

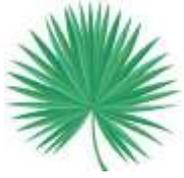
Location:

Palms at Serenoa Clubhouse

17244 Bay Cedar Way,

Clermont, FL 34714

Note: The Advanced Workshop Package is a working document and thus all materials are considered DRAFTS prior to presentation and Board acceptance, approval or adoption.



AVALON GROVES
COMMUNITY DEVELOPMENT DISTRICT
c/o Vesta District Services
250 International Parkway, Suite 208
Lake Mary, FL 32746
321-263-0132

Board of Supervisors
Avalon Groves Community Development District

Dear Board Members:

The Workshop of the Board of Supervisors of the Avalon Groves Community Development District is scheduled for **Thursday, March 12, 2026 at 10:00 a.m. at Palms at Serenoa Clubhouse, 17244 Bay Cedar Way, Clermont, FL 34714.**

The advanced copy of the agenda for the workshop is attached along with associated documentation for your review and consideration. Any additional support material will be distributed at the workshop.

Should you have any questions regarding the agenda, please contact the District Manager at (321) 263-0132 ext. 536 or hbeckett@vestapropertyservices.com.

Sincerely,

Heath Beckett

Heath Beckett
District Manager

CC: Attorney
District Records





AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

Meeting Date: Thursday, March 12, 2026
 Time: 10:00 a.m.
 Location: Palms at Serenoa Clubhouse
 17244 Bay Cedar Way
 Clermont, FL 34714

*Gate Code for Meeting Access Only: 56143

Workshop Agenda

The Workshop is convened to discuss any matters that may come before the Board.
 No decisions will be made, nor action taken, on behalf of the CDD at this workshop.

*The full draft agenda packet may be requested no earlier than 7 days prior to the workshop date
 by emailing skonley@vestapropertyservices.com*

- | | |
|----------------------------------|--|
| FIRST ORDER OF BUSINESS: | Call to Order |
| SECOND ORDER OF BUSINESS: | Selection of Workshop Secretary |
| THIRD ORDER OF BUSINESS: | Audience Comments |
| FOURTH ORDER OF BUSINESS: | Discussion Items |

A. Landscape and Environmental – *John Holden/Gabriel Ruperez/Carl Weston*

1. Request for Landscape Subcommittee

B. Amenities and Infrastructure – *John Holden/Gene Mastrangeli*

C. Public Safety – *Carl Weston/Robert Wolski*

EXHIBIT 1

1. Update of Draft Pond Policy (Dog Walking Along Ponds)

D. Finance – *Gene Mastrangeli/Robert Wolski*

EXHIBIT 2

1. Reserve Study

E. Other Items

FIFTH ORDER OF BUSINESS:	Next Meeting Announcements
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Regular Meeting

10:00 a.m. on Thursday, March 26, 2026

Serenoa Club Amenity Center
 17555 Sawgrass Bay Blvd.,
 Clermont, FL 34714

Workshop

10:00 a.m. on Thursday, April 9, 2026

Palms at Serenoa Clubhouse
 17244 Bay Cedar Way
 Clermont, FL 34714

SIXTH ORDER OF BUSINESS:	Adjournment
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EXHIBIT 1



Avalon Groves Community Development District
Stormwater Pond Policies

Law Implemented: ss. 190.011, 190.035, Fla. Stat. (2025)

Effective Date: _____, 2026

The Avalon Groves Community Development District (the “**District**”) owns several stormwater tracts throughout the District’s boundaries (the “**District Ponds**”) are not designed for swimming, boating or fishing. The purpose of the District Ponds is to help facilitate the District’s natural water system for run off and overflow. The following additional guidelines apply:

1. Fishing, both by poles and cast nets, is prohibited.
2. Wading and swimming in the District Ponds is prohibited.
3. Watercraft of any kind in the District Ponds, including but not limited to boats, rafts or tubes, is prohibited, except for those serving maintenance or other similar functions previously authorized the District.
4. Access to other residents' backyards via maintenance easements is prohibited. Unless individual property owners of single-family dwelling homes grant permission for others to access their backyards, entering their private property can be considered trespassing pursuant to Section 810.09, Florida Statutes. Please be considerate of the privacy rights of other residents.
5. Pets are not allowed in the District Ponds.
6. Wildlife (including but not limited to birds and reptiles) may neither be removed from nor released into the District Ponds. This prohibition does not apply to professionals hired by the District to remove nuisance wildlife from the District Ponds.
7. No docks or other structures, whether permanent or temporary, shall be constructed and placed in or around the District Ponds.
8. No pipes, pumps or other devices used for irrigation, or the withdrawal of water shall be placed in or around the District Ponds, except by the District or with the District’s prior written consent.
9. No foreign materials may be disposed of in the District Ponds, including, but not limited to tree branches, paint, cement, oils, soap suds, building materials, chemicals, fertilizers, or any other material that is not naturally occurring or which may be detrimental to the lake environment.
10. Any hazardous condition concerning the District Ponds must immediately be reported to the District Manager and the proper authorities.
11. Playing sports, performing fireworks displays and other recreational activities on the pond banks or otherwise on the stormwater ponds are strictly prohibited.
12. Property owners and residents are responsible for their tenants’, guests’, and invitees’ adherence to these policies.

The Avalon Groves Community Development District is not responsible for injury or damage to persons or property, including accidental death, resulting from the use of the District Ponds. Any person acting in violation of these rules will be deemed to be trespassing and will be reported to local authorities.



REPORT A NUISANCE ALLIGATOR

FWC defines nuisance alligators as at least 4 ft in length and displaying aggressive behavior.

See below for more information on alligators in Florida.

Alligators

At certain times of year we are apt to see more activity from the indigenous fauna of the state ... as waters recede and flora dies out (due to drought conditions) ... and when it's mating season. At such times, the alligators in the community may be moving from pond to pond, and occasionally make their way into a yard. If you observe an alligator that does not appear to be afraid of people, is in a yard or someplace other than a pond or wetland/conservation area, or otherwise poses a potential threat, [report this nuisance alligator](#) to the District Manager. The CDD has a permit through FWC and works directly with a trapper - residents do not need to contact FWC, but should submit a nuisance alligator report via the CDD website.

Please note:

- 1) The CDD advises against anyone entering the water of CDD-maintained stormwater ponds at any time. The ponds are chemically treated and are fed by the run-off from roads, the water is generally stagnant and not designed or designated for recreational use - no swimming, fishing, boating, or similar activities are authorized.
- 2) The CDD advises against anyone approaching or walking along pond banks, particularly at night. Invasive vegetation is chemically treated, and erosion control is inhibited with heavy foot and vehicular traffic.
- 3) Allowing pets to range freely on CDD property is prohibited. While on public (CDD) property, pet owners are responsible for exercising sufficient care and control of their animal(s). Per FL Ordinance 4-27, all animals (this includes both dogs and cats) should be leashed or otherwise controlled by voice command of a person present with the animal at any time it is not securely and humanely confined within a house, vehicle, building, fence, crate, pen, or other enclosure to prevent escape. Pets are not allowed to interact with and/or harass wildlife...as it puts both in danger.
- 4) It is illegal to feed alligators (F.S. 372.667(1) - this is the most common reason wildlife lose their natural fear of humans and approach residents, thus **becoming a nuisance**. Feeding wildlife is considered a Level Two violation under s. 372.83. If you see someone breaking the law (e.g. feeding alligators or any other wildlife, taunting or interacting in any way with them, fishing in the ponds without a license, etc.), contact FWC's Law Enforcement Branch, at 863-648-3200 or 888-404-FWCC (3922). Cell phone users can reach them at #FWC, depending on the service provider.
- 5) **Nuisance alligators are euthanized**, not relocated. FWC explains the reasoning for this policy on their website: <https://myfwc.com/wildlifehabitats/wildlife/alligator/snap/>.

Links:



EXHIBIT 2





Office: (888) 927-7865
Fax: (813) 200-8448
Contact@customreserves.com
5470 E Busch Blvd., Unit 171
Tampa, FL 33617

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT RESERVE STUDY



For 30-Year Projection Period: FY 2026 through FY 2056

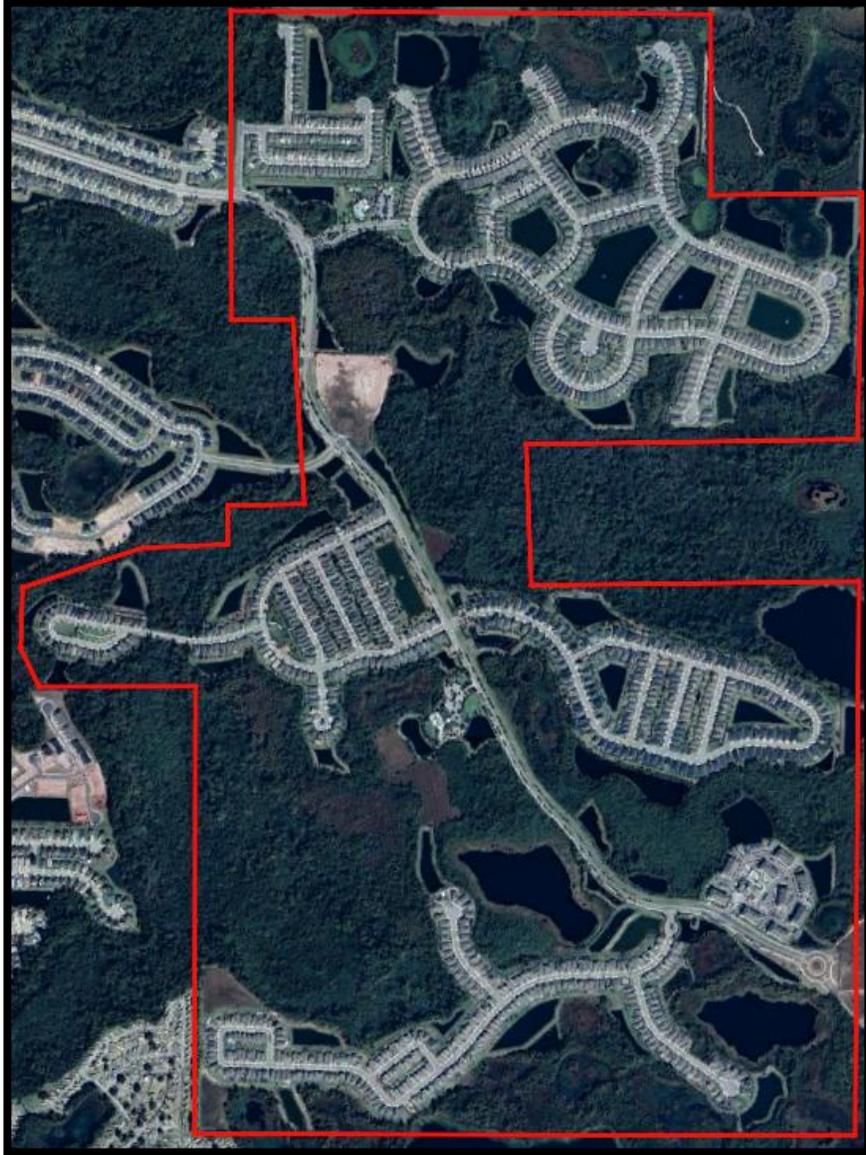
This report contains intellectual property developed by Custom Reserves, LLC specific to this engagement and cannot be reproduced or distributed to those who conduct reserve studies without the written consent of Custom Reserves, LLC. See the proposal for details concerning the use of this report.



Table of Contents

Table of Contents.....	2
Property Overview.....	3
Executive Summary	4
Financial Analysis	5
Property Component Definitions	6
Property Component Model.....	7
Reserve Expenditures - Table A	8
Pooling Funding Plan - Table B.....	10
Physical Analysis.....	11
Property Site Components	11
1. Asphalt Pavement, Repaving.....	11
2. Fence, Aluminum	11
3. Fences, Vinyl.....	12
4. Fences, Wood	12
5. Irrigation System	13
6. Light Fixtures	14
7. Mailbox Stations.....	14
8. Playground Equipment	15
9. Pond Fountain.....	15
10. Shade Structure	16
11. Signage.....	16
12. Stormwater System	17
Condition Model.....	19
Expenditure Chart.....	20
Funding Graph.....	21
Terms and Definitions.....	22
Disclosures and Limitations.....	27
Inspection and Report Credentials.....	27

Property Overview



Clermont, FL

Latitude: 28°23'20.85"N

Longitude: 81°40'2.88"W

Executive Summary

Custom Reserves conducted a site visit on February 11, 2026. There are 12 common area reserve components identified comprising 16 line items that require reserve funding during the noninvasive, visual inspection of the community. Supplemental information to the physical inspection typically includes the following sources:

1. District board members, management and staff
2. Client's vendors
3. Declaration
4. Maintenance records of the reserve components where available
5. Project plans where available

Avalon Groves Community Development District (Avalon Groves) is a local unit of special purpose government built in 2016, located in Clermont, FL and is responsible for the common elements shared by 1745 owners. The development contains Property Site components.

A Reserve Study comprises two parts:

Physical Analysis	Financial Analysis
<ul style="list-style-type: none">• Component Inventory• Condition Assessment• Estimated Useful Life• Remaining Useful Life• Replacement Cost	<ul style="list-style-type: none">• Fund Status• Funding Plan

The intention of this Reserve Study is to forecast the District's ability to replace major components as they wear out in future years. This Reserve Study complies with or exceeds all applicable **statutes** and national standards. Reserve Studies are a guide and should be used for budgetary purposes. Actual expenditures and times of replacements can and/or will vary.

Reference #: 1555.26

Inspection and Report by:

Paul Grifoni, PRA, RS

Financial Analysis

The pooling method or cash flow funding plan is included to project and illustrate the reserve funding plan as depicted in **Table B**. The unaudited cash status of the District's combined reserve funds, as of September 30, 2025, as reported by Management is zero dollars. Avalon Groves budgeted \$30,940 for combined reserve contributions in FY¹ 2026. The District can continue this reserve contribution of \$30,940 from 2027 through 2030 to adequately fund reserves based on this analysis utilizing threshold funding in the high risk year. The District should anticipate an update by 2030 but can budget inflationary increases each year thereafter.

External market factors incorporated in this Reserve Study are an inflation rate of 3.0% based on the Consumer Price Index published by the Bureau of Labor Statistics and an interest rate of 3.0%. Most community bylaws provide that funds shall be held in a bank, with FDIC or similar insurance to cover all funds.

The actual timing of the events depicted may not occur exactly as projected. Internal changes such as deferred or accelerated projects, and external changes such as interest and inflation rates, are likely. Updates to the Reserve Study will incorporate these changes. To ensure equity in the adopted funding plan, ongoing annual reviews and either a Non Site visit or Site Visit update of this Reserve Study is recommended in two- to three-years respectively depending on the complexity of the community, and changes in external and internal factors. It is recommended by the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

¹ FY 2026 Begins October 1, 2025 and Ends September 30, 2026.

Property Component Definitions

The analysis began by separating the property components into specific areas of responsibility for replacement and repair. These classes of property are as follows:

1. **Reserve Components** are defined as follows:
 - District responsibility
 - Limited useful life expectancies
 - Predictable remaining useful life expectancies
 - Replacement cost above a minimum threshold
2. **Operating Budget Components** are defined as follows:
 - Common area components historically funded through operating funds rather than reserve funds
 - Common area components whose replacement or repair costs fall below a specific dollar amount
3. **Long-Lived Components** are defined as follows:
 - Common area components without a predictable remaining useful life
 - Common area components with a remaining useful life beyond the 30-year scope of this reserve study
4. **Owner Components** are defined as follows:
 - Components that are not the responsibility of the District to maintain, repair or replace
5. **Other Components** are defined as follows:
 - Components that are neither the responsibility of the District nor the Owner to maintain, repair or replace

Property Component Model

COMPONENT	COMMON COMPONENTS (X)			REMAINING COMPONENTS (O)	
	RESERVES	OPERATING	LONG-LIVED	OWNER	OTHER
Asphalt Pavement, Repaving	X				
Expenses Less Than \$1,000		X			
Fence, Aluminum, Edgemont	X				
Fence, Vinyl, Edgemont	X				
Fences, Vinyl, Three Rail, Edgemont	X				
Fences, Wood, Paint Finishes	X				
Fences, Wood, Replacement, Phased	X				
Foundation(s)			X		
Irrigation System, Controls, Phased	X				
Irrigation System, Pumps	X				
Landscaping		X			
Light Fixtures, Phased	X				
Light Poles and Fixtures					O
Mailbox Stations, Edgemont	X				
Other Repairs Normally Funded Through the Operating Budget		X			
Playground Equipment, Edgemont	X				
Playground Equipment, Village 1	X				
Pond Fountain	X				
Shade Structure	X				
Sidewalks, Concrete, Common		X			
Signage, Phased	X				
Site Furniture		X			
Stormwater System, Partial	X				
Structural Frame(s)			X		
Subsurface Utilities, Sanitary Waste					O
Subsurface Utilities, Water Supply					O



Reserve Expenditures
Avalon Groves
Community Development District

Line Item	Reserve Components	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
		2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
	Property Site Components																					
1	Asphalt Pavement, Repaving				\$13,466																	
2	Fence, Aluminum, Edgemont														\$6,908							
3	Fence, Vinyl, Edgemont									\$53,371												
3.1	Fences, Vinyl, Three Rail, Edgemont									\$15,662												
4	Fences, Wood, Paint Finishes	\$10,513					\$12,188					\$14,129					\$16,379					\$18,988
4.1	Fences, Wood, Replacement, Phased	\$31,683					\$36,729															\$57,223
5	Irrigation System, Controls, Phased						\$9,348	\$9,628	\$9,917								\$12,563	\$12,940	\$13,328			
5.1	Irrigation System, Pumps				\$29,371																	
6	Light Fixtures, Phased	\$14,353					\$16,639					\$19,289					\$22,362					\$25,923
7	Mailbox Stations, Edgemont												\$26,044									
8	Playground Equipment, Edgemont							\$56,165														
8.1	Playground Equipment, Village 1		\$103,818																			\$176,742
9	Pond Fountain								\$16,528													\$23,566
10	Shade Structure									\$25,536												
11	Signage, Phased	\$10,751					\$12,464					\$14,449					\$16,750					\$19,418
12	Stormwater System, Partial														\$197,359							
	Total Expenditures	\$67,300	\$103,818	\$0	\$42,837	\$0	\$87,367	\$65,793	\$26,446	\$94,570	\$0	\$47,867	\$26,044	\$0	\$204,266	\$0	\$68,054	\$12,940	\$13,328	\$0	\$200,308	\$121,552



Table B

Pooling (Cash Flow) Funding Plan

Avalon Groves Community Development District

	FY	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Beginning of Year Reserves	Note 2	\$0	\$4,437	\$35,510	\$67,515	\$100,480	\$134,434	\$121,095	\$150,464	\$181,498	\$95,166	\$133,921	\$107,639	\$45,150	\$85,705	\$85,839	\$130,014
Recommended Reserve Contributions	Note 2	30,940	30,940	30,940	30,940	30,940	31,900	32,900	33,900	34,900	35,900	37,000	38,100	39,200	40,400	41,600	42,800
Anticipated Interest Earned	3.0%	0	133	1,065	2,025	3,014	4,033	3,633	4,514	5,445	2,855	4,018	3,229	1,355	2,571	2,575	3,900
Projected Expenditures		(26,503)	0	0	0	0	(49,272)	(7,164)	(7,379)	(126,677)	0	(67,300)	(103,818)	0	(42,837)	0	(87,367)
Projected Year End Reserves		4,437	35,510	67,515	100,480	134,434	121,095	150,464	181,498	95,166	133,921	107,639	45,150	85,705	85,839	130,014	89,347
		Threshold/ Risk Year															

		2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
Beginning of Year Reserves		\$89,347	\$70,334	\$91,399	\$46,370	\$95,961	\$100,573	\$128,646	\$185,105	\$40,592	\$97,610	\$89,985	\$138,945	\$190,785	\$259,309	\$131,480
Recommended Reserve Contributions		44,100	45,400	46,800	48,200	49,600	51,100	52,600	54,200	55,800	57,500	59,200	61,000	62,800	64,700	66,600
Anticipated Interest Earned	3.0%	2,680	2,110	2,742	1,391	2,879	3,017	3,859	5,553	1,218	2,928	2,700	4,168	5,724	7,779	3,944
Projected Expenditures		(65,793)	(26,446)	(94,570)	0	(47,867)	(26,044)	0	(204,266)	0	(68,054)	(12,940)	(13,328)	0	(200,308)	(121,552)
Projected Year End Reserves		70,334	91,399	46,370	95,961	100,573	128,646	185,105	40,592	97,610	89,985	138,945	190,785	259,309	131,480	80,472
									Threshold/ Risk Year							

Financial Notes:
1) FY 2026 Begins October 1, 2025 and Ends September 30, 2026
2) FY 2026 Beginning Reserve Balance and Remaining Contributions are as of September 30, 2025
3) Interest Earned is compounded on the Beginning Year Reserve Balance, the first year is a partial amount earned
4) Taxes on the interest earned are considered negligible

Property Site Components

1. Asphalt Pavement, Repaving

The District maintains approximately 262 square yards of asphalt pavement. The asphalt pavement is and in good overall condition at an age of seven years. The estimated useful life of the asphalt pavement surface course varies from 15- to 25-years due to design, quality of construction, materials and maintenance. Avalon Groves should budget for a mill and overlay of the pavement by 2039.

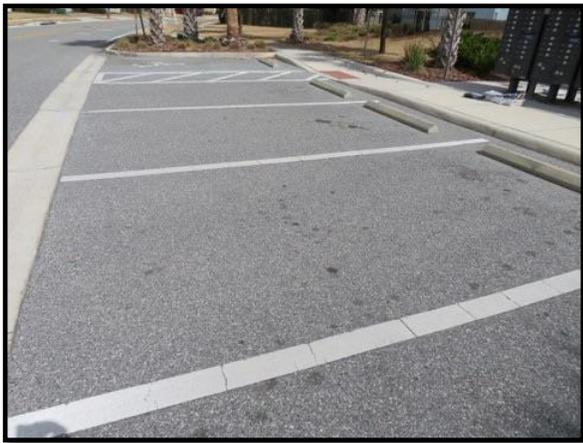


Figure 1



Figure 2

2. Fence, Aluminum

The District maintains 140 linear feet of aluminum fence located at the playground within the Edgemont neighborhood. The fence is in good condition at an age of two years. Aluminum fences have an estimated useful life of up to 25 years. The finish on aluminum fences is relatively maintenance free. While aluminum doesn't rust, it does corrode over time. The District can maximize the useful life of the fences by repairing connections and fasteners promptly if they fail. This activity should be funded through the operating budget on an as needed basis. In addition, the District should budget for replacement of the fence by 2049.



Figure 1



Figure 2

3. Fences, Vinyl

There are approximately 1,045 linear feet of vinyl fence located at the southeast perimeters of the Edgemont neighborhood. This fence is in good condition at an age of approximately two years. There are also 460 linear feet of vinyl three rail fences located at the entrance of the Edgemont neighborhood. As vinyl ages it becomes brittle and susceptible to damage. The estimated useful life of vinyl fences is from 20- to 25-years. Avalon Groves should budget for replacement of these fences by 2044.



Figure 1 - Privacy Fence



Figure 2 – Three Rail Fence

4. Fences, Wood

There are approximately 1,885 linear feet of wood fences located at the entrances to Villages 1 through 3. These fences are original and in good overall condition. The estimated useful life of wood fences is from 15- to 20-years. The District painted the fences in 2026. Subsequent cycles

are likely every four- to six-years. Avalon Groves should budget for phased replacement of these fences beginning by 2036 and concluding by 2041.



Figure 1



Figure 2

5. Irrigation System

The District maintains irrigation throughout the communities' common areas. Irrigation system components typically include pumps, controls, valves, heads, piping and wiring. The system is mostly original and in satisfactory operation condition. The system has a long useful life with the benefit of ongoing maintenance. The Association should fund interim head and partial pipe replacements through the operating budget as needed.



Figure 1



Figure 2

The three controls are in fair reported condition at various ages and have an estimated useful life from 8- to 12-years. Avalon Groves should budget for phased replacements beginning by 2031 and concluding by 2033. There are two active well pumps. The wells are original and have an

estimated useful life from 15- to 20-years. The District should budget for replacement of the two well pumps by 2039.

6. Light Fixtures

The District maintains 16 solar light fixtures. The light fixtures are in fair to poor reported condition. Light fixtures have an estimated useful life of up to 10 years. Avalon Groves should budget for phased replacement of the light fixtures beginning in 2026 and every five years thereafter.



Figure 1



Figure 2

7. Mailbox Stations

Avalon Groves maintains seven mailbox stations located within the Edgemont neighborhood. The mailboxes are in good condition at an age of four years. Metal mailboxes have an estimated useful life of up to 25 years. The District should budget for replacements by 2047.



Figure 1

8. Playground Equipment

Avalon Groves maintains a playground located within the Edgemont neighborhood and Village 1. The Edgemont playground equipment is in good condition at an age of two years. The Village 1 playground equipment is in fair overall condition at an age of seven years. Playground equipment has an estimated useful life of 15- to 20-years. The major concern with playground equipment is safety. The District should budget for replacement of the Edgemont and Village 1 playgrounds by 2042 and by 2037 respectively. Avalon Groves should consult with a professional to ensure proper space between each apparatus and a proper landing area.



Figure 1 - Edgemont



Figure 2 – Village 1

9. Pond Fountain

Avalon Groves maintains a pond fountain which provides aesthetic benefits as well as increase the overall water quality of the pond that it is located in.



Figure 1

The fountain is in satisfactory operation condition. The District should budget for replacement of the fountain every 12 years beginning by 2031.

10. Shade Structure

There is a powder coated aluminum shade pavilion with integrated bench seating located at Pond 28. This shade structure is in good overall condition at an age of seven years. This shade structure has an estimated useful life of up to 25 years. Avalon Groves should budget for replacement of the shade structure by 2044.



Figure 1



Figure 2

11. Signage

The District maintains signage located throughout the community. The signage is original and in fair condition. Entrance monuments contribute to the overall aesthetic appeal of the property. Renovations are based on the desire to update the perceived identity of the community.



Figure 1



Figure 2

The District should budget for paint and partial replacements of warped boards every four-to six-years beginning in 2026. Avalon Groves should replace the wood boards with fiber cement.



Figure 3



Figure 4 – Warped Boards.

12. Stormwater System

The District maintains the stormwater system. The system includes a series of drains connected to pipes throughout the property designed to carry storm water directly to a pond system for processing. Avalon Groves utilizes a wet pond system. Wet ponds treat storm water runoff by utilizing sunlight and vegetation which breaks down, filters and cleanses pollutants.

The pond shorelines comprise over 53,000 linear feet. The ponds are original and in fair overall condition. Areas of shoreline erosion are noted. Shoreline erosion can be caused by a variety of natural factors including steep slopes, changes in water elevation and storm water runoff. Erosion can lead to partial dredging of the ponds particularly near the drainage inlet and outlet structures.

Stormwater systems are low maintenance and often overlooked. However, overlooking these systems can lead to problems. Over time, drains can become clogged with leaves and other debris. Maintenance of storm water systems is required in every municipality as a condition for use of the land to prevent adverse impacts on adjoining properties. Avalon Groves should routinely keep drains clear.

CustomReserves

A stormwater system has a long useful life. Achieving this typically requires interim capital repairs or partial replacements. The District should anticipate occasional displacement of a catch basin and the surrounding pavement from erosion as time goes on. Erosion causes settlement of stormwater structures. The structures can shift and need replacement if left unrepaired. The District should plan to repair any displaced structures and concurrent partial pipe replacements. The exact times and amount of capital repairs or replacements varies upon natural forces. Avalon Groves should budget for stormwater maintenance every 15 years or by 2034 and again by 20XX.



Figure 1 - Shoreline Erosion



Figure 2 - Shoreline Erosion



Figure 3 - Pond 28 Shoreline Erosion



Figure 4 - Pond Structure

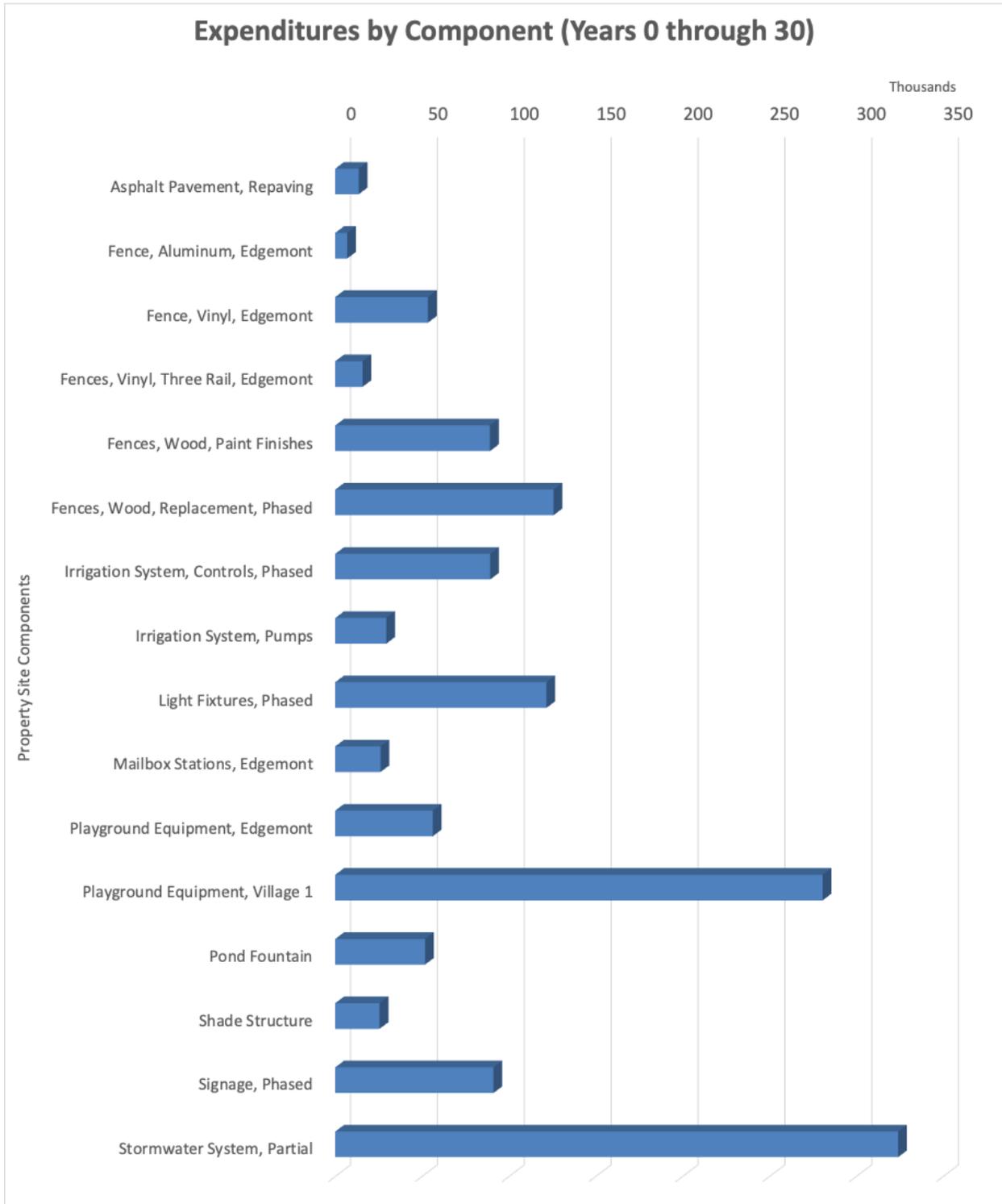
CustomReserves

Condition Model

Condition	Good	Fair to Good	Fair	Fair to Poor	Poor
Rank	9 to 10	7 to 8	5 to 6	3 to 5	1 to 2
Urgency	5	4	3	2	1

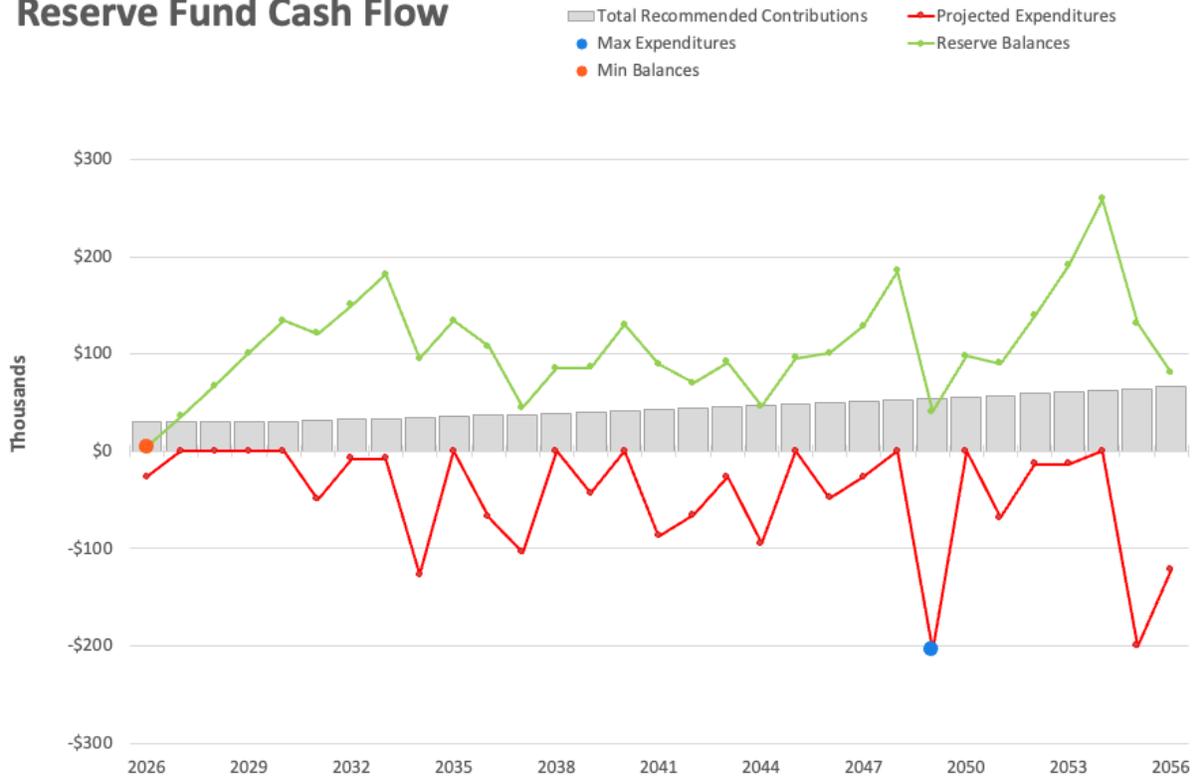
Component Name	Condition	Urgency	1st Year of Replacement
Asphalt Pavement, Repaving	8	✓	2039
Fence, Aluminum, Edgemont	9	✓	2049
Fence, Vinyl, Edgemont	9	✓	2044
Fences, Vinyl, Three Rail, Edgemont	9	✓	2044
Fences, Wood, Paint Finishes	10	✓	2026
Fences, Wood, Replacement, Phased	7	✓	2036
Irrigation System, Controls, Phased	7	✓	2031
Irrigation System, Pumps	8	✓	2039
Light Fixtures, Phased	6	⚠	2026
Mailbox Stations, Edgemont	8	✓	2047
Playground Equipment, Edgemont	9	✓	2042
Playground Equipment, Village 1	7	✓	2037
Pond Fountain	6	✓	2031
Shade Structure	7	✓	2044
Signage, Phased	7	✓	2026
Stormwater System, Partial	8	✓	2026

Expenditure Chart



Funding Graph

Reserve Fund Cash Flow



Terms and Definitions

Adequate Reserves - A replacement reserve fund and stable and equitable multiyear funding plan that together provide for the reliable and timely execution of the association's major repair and replacement projects as defined herein without reliance on additional supplemental funding.

Capital Improvements - Additions to the association's common area that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction or installation cannot be taken from the reserve fund.

Cash Flow Method (also known as pooling) - A method of calculating Reserve contributions where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenditures until the desired Funding Goal is achieved.

Common Area - The areas identified in the community association's master deed or declarations of covenant easements and restrictions that the association is obligated to maintain and replace or based on a well-established association precedent.

Component - An individual line item in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks of the Reserve Study. Components typically are: 1) Association responsibility, 2) The need and schedule for this project can be reasonably anticipated, 3) The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs.

Component Inventory - The task of selecting and quantifying Reserve Components. This task is accomplished through onsite visual observations, review of association design and organizational documents, and a review of established association precedents, and discussion with appropriate representative(s) of the association.

Component Method (also known as Straight Line) - A method of developing a reserve funding plan where the total funding is based on the sum of funding for individual components.

Condition Assessment - The task of evaluating the current condition of the component based on observed or reported characteristics. The assessment is limited to a visual, non-invasive evaluation.

Effective Age - The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age since some components age irregularly. Used primarily in computations.

Financial Analysis - The portion of a reserve study in which the current status of the reserves (measured as cash or percent funded) and a recommended reserve funding plan are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study. A minimum of 30 years of income and expense are to be considered.

Fully Funded - 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

Fully Funded Balance (FFB) - An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total.

Fund Status - The status of the reserve fund reported in terms of cash or percent funded.

Funding Goals - The three funding goals listed below range from the most aggressive to most conservative:

Baseline Funding - Establishing a reserve funding goal of allowing the reserve cash balance to approach but never fall below zero during the cash flow projection. This is the funding goal with the greatest risk of being prepared to fund future repair and replacement of major components, and it is not recommended as a long-term solution/plan. Baseline funding may lead to project delays, the need for a special assessment, and/or a line of credit for the community to fund needed repairs and replacement of major components.

Threshold Funding - Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “fully funded” with respective higher risk or less risk of cash problems. In determining the threshold, many variables should be considered, including things such as investment risk tolerance, community age, building type, components that are not readily inspected, and components with a remaining useful life of more than 30 years.

Fully Funding - Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. Fully funded is when the actual or projected reserve balance is equal to the fully funded balance.

It should be noted that, in certain jurisdictions, there may be statutory funding requirements that would dictate the funding requirements. In all cases, these standards are considered the minimum to be referenced.

Funding Plan - An Association’s plan to provide income to a Reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of 30 years of projected income and expenses.

Funding Principles - A funding plan addressing these principles. These funding principles are the basis for the recommendations included within the reserve study:

- Sufficient funds when required.
- Stable funding rate over the years.
- Equitable funding rate over the years.
- Fiscally responsible.

Initial Year - The first fiscal year in the financial analysis or funding plan.

Life Estimates - The task of estimating useful life and remaining useful life of the reserve components.

Life Cycle Cost - The ongoing cost of deterioration which must be offset in order to maintain and replace common area components at the end of their useful life. Note that the cost of preventive maintenance and corrective maintenance determined through periodic structural inspections (if required) are included in the calculation of life cycle costs and often result in overall net lower life cycle costs.

Maintenance - Maintenance is the process of maintaining or preserving something, or the state of being maintained. Maintenance is often defined in three ways: preventive maintenance, corrective maintenance, and deferred maintenance. Maintenance projects commonly fall short of “replacement” but may pass the defining test of a reserve component and be appropriate for reserve funding. Maintenance types are categorized below:

Preventive Maintenance - Planned maintenance carried out proactively at predetermined intervals, aimed at reducing the performance degradation of the component such that it can attain, at minimum, its estimated useful life.

Deferred Maintenance - Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance. This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.

Corrective Maintenance - Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced. Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.

Percent Funded - The ratio, at a particular point in time clearly identified as either the beginning or end of the association’s fiscal year, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association’s reserve fund size, it should be viewed in the context of how it is changing due to the association’s reserve funding plan, in light of the association’s risk tolerance and is not by itself a measure of “adequacy.”

Periodic Structural Inspection - Structural system inspections aimed at identifying issues when they become evident.

Additional information and recommendations are included within the Condominium Safety Public Policy Report. www.condosafety.com

Physical Evaluation - The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

Preventive Maintenance Schedule - A summary of the preventive maintenance tasks included within a maintenance manual which should be performed such that the useful lives of the components are attained or exceeded. This schedule should include both the timing and the estimated cost of the task(s).

Remaining Useful Life (RUL) - Also referred to as “remaining life” (RL). The estimated time, in years, that a component can be expected to serve its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have zero remaining useful life. Replacement Cost: The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, design, permits, installation, disposal, etc.).

Reserve Balance - Actual or projected funds, clearly identified as existing either at the beginning or end of the association’s fiscal year, which will be used to fund reserve component expenditures. The source of this information should be disclosed within the reserve study.

Also known as beginning balance, reserves, reserve accounts, or cash reserves. This balance is based on information provided and not audited.

Reserve Study - A reserve study is a budget planning tool which identifies the components that a community association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures.

This limited evaluation is conducted for budget and cash flow purposes. Tasks outside the scope of a reserve study include, but are not limited to, design review, construction evaluation, intrusive or destructive testing, preventive maintenance plans, and structural or safety evaluations.

Reserve Study Provider - An individual who prepares reserve studies. In many instances, the reserve study provider will possess a specialized designation such as the Reserve Specialist. (RS) designation administered by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards. In some instances, qualifications in excess of the RS designation will be required if supplemental subject matter expertise is required.

Reserve Study Provider Firm - A company that prepares reserve studies as one of its primary business activities.

Responsible Charge - A Reserve Specialist (RS) in responsible charge of a reserve study shall render regular and effective supervision to those individuals’ performing services that directly and materially affect the quality and competence of services rendered by the Reserve Specialist. A Reserve Specialist shall maintain such records as are reasonably necessary to establish that the Reserve Specialist exercised regular and effective supervision of a reserve study of which he or she was in responsible charge. A Reserve Specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;

3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review; and
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

Site Visit - A visual assessment of the accessible areas of the components included within the reserve study.

The site visit includes tasks such as, but not limited to, on-site visual observations, a review of the association's design and governing documents, review of association precedents, and discussion with appropriate representative(s) of the association.

Special Assessment - A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

Special assessments, when used to make up for unplanned reserve fund shortfalls, may be an indicator of deferred maintenance, improper reserve project planning, and unforeseen catastrophes and accidents, as well as other surprises.

Structural System - The structural components within a building that, by contiguous interconnection, form a path by which external and internal forces, applied to the building, are delivered to the ground. This is generally a combination of structural beams, columns, and bracing and is not included within the reserve study, although it is reviewed as part of the recommended periodic structural inspections.

It is important to recognize that individual structural components which are not a part of the structural system, such as decks, balconies, and podium deck components may be included for reserve funding if they otherwise satisfy the three-part test.

Useful Life (UL) - The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed presuming proactive, planned, preventive maintenance. Best practice is that a component's Useful Life should reflect the actual preventive maintenance being performed (or not performed).

Valuation Estimates - The task of estimating the current repair or replacement costs for the reserve components.

Disclosures and Limitations

No destructive testing was performed. Latent defects in design or construction are excluded from this report. There are no material issues to our knowledge that have not been disclosed to the client that would affect the integrity of this Reserve Study report. Custom Reserves has no interests with the client other than this Reserve Study. The Reserve Specialist or other reserve study provider for this project has no familial or marital relationship with the client, no ownership interest in the client, and no ongoing business relationship with the client.

Clear recommendations appear within the reserve study where the association has been advised to retain outside expertise to supplement the evaluation of the Reserve Specialist.

Component quantities and estimates of costs indicated in this Report were developed by Custom Reserves unless otherwise noted in our “Condition Assessment” comments. The sources for the costs outlined in the study include experience, historical information and ChatGPT 5.2. This report should be used for budget and planning purposes only. The Reserve Specialist shall incur no civil liability for performing the physical or financial portions of a reserve study performed in accordance with these standards.

Inspection and Report Credentials

PAUL GRIFONI – Senior Engineer, Licensed Home Inspector

EDUCATION - University of Massachusetts - Bachelor of Science in Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Professional Reserve Analyst (PRA)
Association of Professional Reserve Analysts

Reserve Specialist (RS)
Community Associations Institute

