



CAPITAL COMPONENT RESERVE FUND STUDY

Pleasant Pointe Property Owners Association, Inc.
Pleasant Pointe, Heathsville, Virginia 22473

ABSTRACT

Home and property owners' associations must conduct a reserve study at least once every five years to determine the necessity and amount of reserves required to repair, replace, and restore the common elements or capital components. The board of directors must review the study at least annually and make adjustments as the board determines to keep the funding of reserves sufficient. The statutory provisions on reserves also include requirements for the contents of the association budget if reserves are determined to be a necessity. (Virginia Code: Section 55-79.83.1 and 55-514.1). Resale certificates (i.e., disclosure packets) must include the current reserve study report or a summary thereof, a statement of the status and amount of any reserve or replacement fund, and any portion of the fund designated for any specified project by the association. (Virginia Code: Section 55-79.97)

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Capital Component Reserve Fund Study

1. Introduction

Pleasant Pointe Property Owners Association of Virginia, (PPPOA), Inc. is a property owners association (POA) located in Heathsville, Virginia. Developed in 1987, the community of Pleasant Pointe consists of 42 properties owned by 37 dues-paying community members. This reserve fund report examines the common capital elements of the property.

2. Purpose

The purpose of this Capital Component Reserve Fund Study is to provide PPPOA with an inventory of the common community components that require periodic replacement or maintenance. The Study includes a general view of the condition of these items and a financial plan to fund projected periodic replacements.

3. Basis of Estimates

The data contained herein is based on the following considerations:

- First-person accounts of the community owned PPPOA elements, from committee members serving on the 2021 and 2022 PPPOA Board of Directors
- Illustrated maps obtained from Northumberland County Administration and other sources (referenced maps are located in Appendix A)
- Financial records, including service invoices, proof of receipts and estimates provided by vendors.

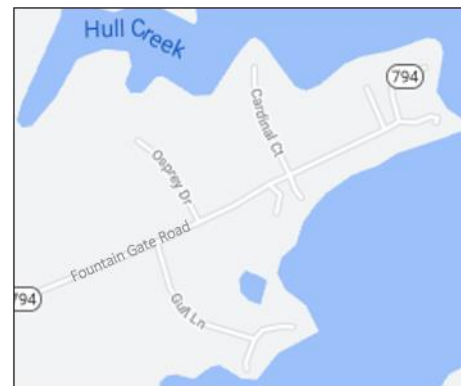


Figure 1: The Pleasant Pointe community comprises four roads: Fountain Gate Road, Gull Lane, Osprey Drive, and Cardinal Court.

4. Inventory of Items Owned by the Association

This section lists the Projected Replacements of the commonly owned items that require periodic replacement using funding from PPPOA Replacement Reserves. Each component is identified and described and its condition analyzed in the report.

4.1. Asphalt/Gravel Roadway: Cardinal Court

There are four roads within the borders of Pleasant Pointe: Fountain Gate Road, Gull Lane, Osprey Drive, and Cardinal Court, the latter roadway being the only one not maintained by Virginia Department of Transportation (VDOT).

Cardinal Court is a 0.15-mile-long street across from the Boat Ramp, with 2 houses on 5 total lots. Until a third residence is built on Cardinal Court, this roadway is maintained by PPPOA.

4.1.1 Current Roadway Condition

The road was originally paved in 1987 and has undergone repairs as needed over the past 25 years. Weather and traffic take a toll on the road. As of Q4 2022 Cardinal Court has potholes that will require filling with pothole patch material.

4.1.1.1 Cardinal Court

Cardinal Court is maintained annually by the members of the PPPOA Grounds and Maintenance Committee. Members of the PPPOA Grounds and Maintenance Committee examine the road annually to assess its current condition. Committee members remove debris from the potholes and fill the holes with commercial patch tar, tamping the material to level the surface. Finally, the patched pothole is topped with gravel/small stones.

The Grounds and Maintenance Committee Chair estimates that each hole requires at least one bag of pothole patch; the quantity depends on each pothole's size. Each bag contains 60 pounds of material at a cost of \$16.00, exclusive of sales tax. As of Q4 2022, the Committee Chair estimates that filling the existing Cardinal Court potholes will require approximately 20 bags, totaling \$320.00. The maintenance is annual, although the number of potholes (and, thus, the cost to repair) varies based on numerous considerations, including environmental factors and wear due to traffic.

The responsibility of upgrading the road surface of Cardinal Court to meet Northumberland County VDOT code rests with PPPOA before the state will assume maintenance. To upgrade Cardinal Court to VDOT standards would require a sizable investment to pay for the upgrade. Because such an investment is cost prohibitive, PPPOA will retain maintenance responsibilities for the foreseeable future. Once VDOT standards are confirmed and a cost estimate to upgrade the road is obtained, an action plan will be developed.

4.2 Pleasant Pointe Entrance Sign

A large, decorative sign at the corner of Fountain Gate Road and Gull Lane signifies the entrance to the Pleasant Pointe subdivision.

4.2.1 Current Signage Condition

The entrance sign is constructed using two 6"x6"x10' wooden timbers affixed to two 2"x10' boards engraved with the Pleasant Pointe name. All boards are attached using stainless-steel bolts. Attached to the two boards are four carved, wooden ducks, which were painted by an artist who is related to a PPPOA board member.



Figure 2: A carved wooden sign bearing the Pleasant Pointe name is located at the corner of Fountain Gate Drive and Gull Lane.

The sign is repaired and maintained as needed, usually by a member of the PPPOA Grounds and Maintenance Committee. It was reinforced in 2018 using wood glue and concrete, and the stainless-steel bolts were replaced.

The current estimated cost to replace this sign is \$1,500.00.

4.3 Water Wells

Three water wells with electric pumps are situated on separate community-owned lots. The wells connect properties to the Pleasant Pointe Water System (Water System) which is operated, maintained, tested, and repaired in compliance with local and state health department regulations for private, non-regulated water systems. A few residences have private wells and are not connected to the Water System.

4.3.1 Current Water Wells Condition

There are four designated well sites and three operating wells. All wells are in working order and require general maintenance each year. Funds for maintenance are included in the Water Account Budget. Water Well related repair and maintenance was approximately \$3,000 during 2022.

Well Number	Location/Address	Installation Date	Age
#1	199 Gull Lane	2005	17 yrs
#2	768 Fountain Gate Road	1988	33 yrs
#3	959 Fountain Gate Road	2009	13 yrs
#4	Fountain Gate Road	Not Yet Drilled	

If additional homes with a connection to the Water System are built or, in the event that one of the existing wells fails, Water Well #4 would need to be drilled. The estimated cost of drilling an additional well is currently \$18,000.00.

4.4 Gas-powered Generator, Shed

PPPOA currently has a Generac GP 7500e Watt emergency gas-powered generator, serving as a back-up power source for the central water system wells. The generator is housed in a storage shed on a PPPOA-owned lot on Gull Lane.

4.4.1 Current Generator Condition

This generator is capable of providing 9,375 watts of starting power and 7,500 watts of running power. The current replacement cost is estimated to be \$1,300.00. Since it is only used when there is a prolonged power outage (as determined by the information PPPOA receives from Northern Neck Electric Cooperative), the life of the generator is estimated to be 20+ years.

4.4.2 Current Storage Shed Condition

A storage shed located on the Gull Lane well lot houses the generator, the fuel for the generator, and the heavy-duty electrical cord used to connect the generator to the electrical supply for the well pump. The shed is 12x12' with two windows. As of Q4 2022, the shed's current replacement cost is \$3,800.00.

4.5 Pier, Bulkhead, Concrete Boat Ramp

Located on Fountain Gate Road are a 330 foot pier, a bulkhead, and a concrete boat ramp with a driveway and lock-and-chain access control. The PPPOA community owns the pier, bulkhead, and boat ramp, and community members perform in-kind routine maintenance to use the pier.

4.5.1 Current Pier, Bulkhead, and Boat Ramp Condition

The pier was constructed in 1987 and was last repaired in 2020. Concrete repairs totalling \$8,000 were completed. . Estimated cost of replacement as of Q4 2022 is \$41,000.00.

4.6 Common Areas

Pleasant Point property owners share access to and responsibility for common areas in the community, each of three well lots located at the corner lots on Gull Lane, Osprey Drive, Cardinal Drive, and the lot adjacent to the access road to the boat ramp and pier.

4.6.1 Current Common Areas' Condition.

These common areas are landscaped with trees and shrubs, and mulched and weeded annually or as needed by the PPPOA Grounds and Maintenance Committee and other volunteers.

Additional parts of the property that are considered common areas include: the Pleasant Pointe sign flowerbed (Error! Reference source not found., adjacent) at the corner of Fountain Gate and Gull; and a small grove of crape myrtles surrounded by flowerbeds along Fountain Gate Drive. These landscaped areas are trimmed and mulched once annually by members of the PPPOA Grounds and Maintenance Committee for a cost of approximately \$500.

In addition, PPPOA has a contract with Bay Cutters, a Northern Neck-based landscaping services company, to mow the common areas 14 times per year. The PPPOA budget sets aside \$2,600 for the year for this service.



Figure 3: The flowerbed surrounding the Pleasant Pointe sign, above, is maintained annually or as needed by the PPPOA Grounds and Maintenance Committee.

5 Assessment of Current Value of Common Assets

5.1 Condition of Items Owned by the Association.

This section includes estimates of the normal economic life and the remaining economic life for the projected replacements. The chart below provides a year-by-year listing of the projected replacements.

PPPOA Community Assets

PPPOA Community Asset	Current Assessed Value	Annual Maintenance Cost	Projected Replacement Year	Projected Replacement Cost
Cardinal Court Asphalt/Gravel Roadway				
Entrance Sign		0.00	2025	\$ 1,500.00
Water Wells		\$1,500.00	2028	\$18,000.00
Water Well Pumps		\$1,500.00	2024	\$ 3,000.00
Gas-Powered Generator	\$1,300.00	\$350.00	2028	\$ 1,300.00
Storage Shed	\$3,200.00	\$ 0.00	2028	\$ 3,800.00
Community Pier	\$5,724.00	\$1,000.00	2026	\$14,050.00
Bulkhead		\$ 0.00	2028	\$17,350.00
Concrete Boat Ramp	\$ 800.00	0.00	2026	\$10,000.00
Common Areas	\$50,900.00	\$3,000.00	N/A	N/A

5.2 Financial Plan.

The PPPOA has a fiduciary responsibility to protect the appearance, value, and safety of its property; therefore, it is essential that the Association have a financial plan that provides funding for the projected replacement of that communal property.

General repair and maintenance of community assets will be funded from the General Account and the Water Account Budgets as appropriate. Actual expenses and projected expenses will be evaluated each year and included in the budget for the following year.

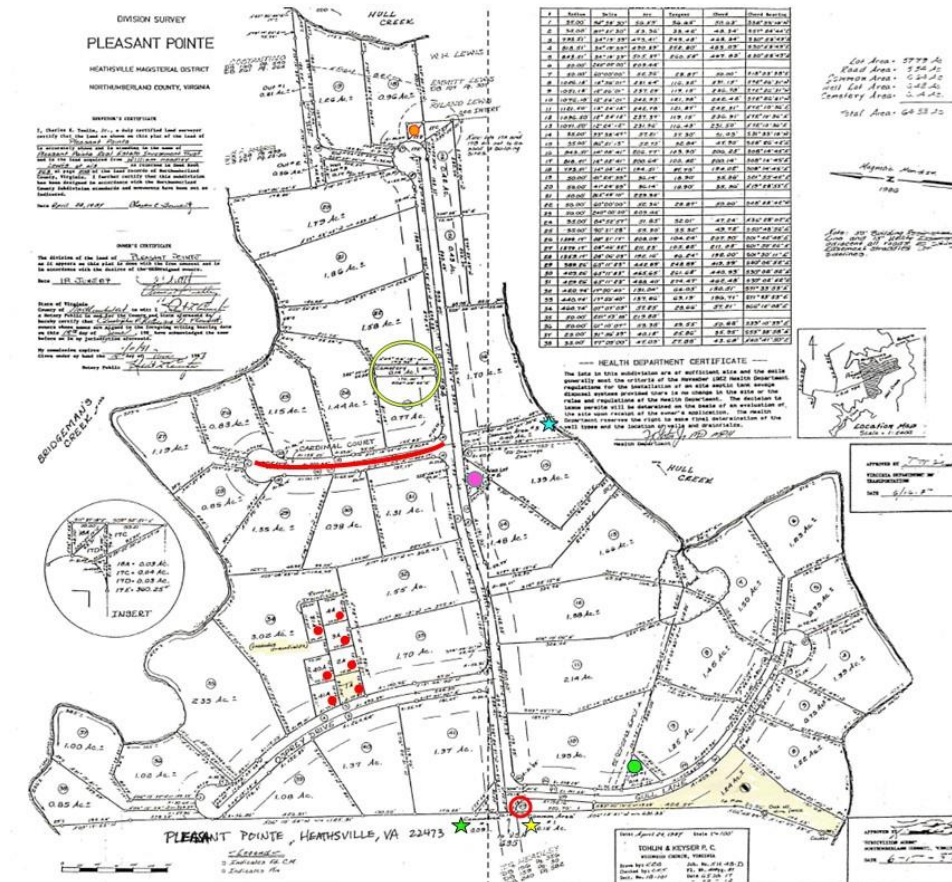
Capital expenditures may be funded from the General Reserve or Water Reserve Funds. The Capital Component Reserve Fund Study as well as actual and projected expenses provide the basis for the reserve funds needed.

Scale Drawings

a. Pleasant Point Division Survey

The following map identifies each property in Pleasant Pointe, as well as locations of wells, water, and the other common areas.


Appendix A





- Cardinal Court – Gravel roadway maintained by PPPOA
- ★ Common Area #5 – Boat Ramp
- ★ Common Area #1 – Adjacent to Sign
- Wooden Sign and Landscaping
- ★ Common Area #?? (Grove with crape myrtles on Fountain Gate)
- Cemetery – There is an easement for the cemetery, but it is not owned by PPPOA – Jen researching
- Remote Drain Fields
- Community Well Lot #2
- Community Well Lot #1 – Generator and Shed
- Community Well Lot #3

b. Pleasant Pointe Community – Road Responsibilities

KEY

VDOT Maintenance 

PPPOA Boundary 

PPPOA Maintenance 



Current Funding

Current Funding. This reserve study has been prepared for Fiscal Year 2022 covering the period from January 1, 2022 to December 31, 2022. The starting balance on January 1, 2022 was \$7002.96. The planned contribution to the Replacement Reserve for the 2022 fiscal year is \$3,500.00. The balance as of December 31, 2022, was \$10,507.00. For the purposes of this study, it is assumed that the annual contributions will be deposited at the beginning of the fiscal year.