

# Fairway Villas HOA Reserve Study

## February 2026

### Introduction

Homeowners' Association (HOA) reserve studies are essential tools for maintaining the long-term financial health of a community. These studies ensure that sufficient funds are set aside for future repairs and replacements of major components of the property. For Fairway Villas, an HOA reserve study provides a detailed analysis of the community's infrastructure, helping to plan for future repairs and replacements, and maintain its value over time.

### The Purpose of a Reserve Study

A reserve study serves several critical functions within an HOA:

- **Financial Planning:** It assists in creating a roadmap for future expenditures, ensuring that adequate funds are available when significant repairs or replacements are needed.
- **Preventive Maintenance:** By identifying the remaining useful life of various components, a reserve study helps in scheduling maintenance activities to extend the lifespan of these components.

### Elements of a Reserve Study

A comprehensive reserve study typically includes the following elements:

- **Physical Analysis:** This involves a thorough identification and inspection of the common area components and infrastructure that the HOA is responsible for maintaining and replacing, as needed.
- **Financial Analysis:** This aspect of the study projects future costs for repair and replacement and determines the current reserve fund's adequacy.
- **Reserve Fund Status:** An evaluation of the current reserve fund balance compared to the recommended amount needed to cover future expenditures.

### Major Common Area Components and Infrastructure

For the purposes of maintenance and replacement, Fairway Villas HOA (FVHOA) common area components and infrastructure are separated into two categories: Those that are the responsibility of the FVHOA, and those that are the responsibility of the City of Grand Junction. Beginning in February 2025, coordination began with the staff at the City of Grand Junction's Engineering and Transportation Department. In early April of 2025, responsibilities were confirmed as shown below.

**City of Grand Junction:**

- Streets, curb and gutter, the attached sidewalks, and drop inlets.
- The large drain (36") that runs from the golf course to the Spoon Ct cul de sac and then all the way to and under South Broadway.
- The sidewalk/path along South Broadway that provides connectivity with the adjacent neighborhoods (Vistas at Tiara Rado and the Seasons).
- Sidewalk/path within the subdivision within pedestrian easements.
- Streetlighting on subdivision streets.

**Fairway Villas HOA:**

- Lawn inlets and pipes, storm drainage area inlets and pipes, landscaping, fencing, masonry pilasters/columns, mailboxes, irrigation system, etc.
- The detention basin adjacent to South Broadway (opposite of Desert Hills Road).
- Aesthetic lighting at entrances.

Additional detail regarding dedication of easements is shown in the ***Fairway Villas Subdivision, excerpts from Sheet 1 of the plat dated 3/03/08***, attached as the final page of this study.

## Findings for Fairway Villas Replacement or Major Repairs

The following table shows the components and infrastructure that are the responsibility of FVHOA to maintain or replace. The first column describes the infrastructure or component. The second set of columns shows estimated quantities, unit costs, and total costs for each component. The final set of columns shows the quantity assumed to require replacement in the 1 to 10-year timeframe, as well as the total per component. The sum of costs shown in the bottom row is an estimate for replacement of all of FVHOA-owned infrastructure (middle columns) versus an estimate of infrastructure assumed to be replaced in the next 1 to 10 years (right columns). Assumptions and limitations are shown in the table as well as the section titled ***Limitations of this Reserve Study***.

## FVHOA Components & Infrastructure Summaries, and Estimated Replacements Costs

FVHOA Infrastructure or Component *Estimated costs and quantities	FVHOA Totals			FVHOA 10-Year Replacement Totals		
	Estimated Total Quantity (lump sum units or linear feet)	Cost per unit	Cost per component	Units considered for likely near-term replacement (1-10 years of remaining useful life)	Cost per unit	Cost per component
Pump house replacement. This includes total replacement and installation of pump and electrical	1	\$ 8,500	\$ 8,500		1	\$ 8,500
Irrigation Pump Replacement	1	\$ 6,000	\$ 6,000		1	\$ 6,000
Major waterline repair for Irrigation System. An example would be the main 2" line going under the roadway in a few locations.	2	\$ 5,000	\$ 10,000		1	\$ 5,000
Electrical Systems. There are two electrical boxes located within the subdivision which could need to be replaced if damaged.	2	\$ 3,500	\$ 7,000		1	\$ 3,500
Community Mailboxes. The three mailbox units may require replacement. This would include the purchase and replacement, along with having them rekeyed.	3	\$ 3,800	\$ 11,400		0	\$ 3,800
Storm drain repair or replacement. This would be for HOA lawn drains, area inlets, pipe, etc., that are not City responsibility. Quantities and refined costs are TBD. Depending upon circumstances, potential cause of any damage, etc., costs for some items may be individual property owner responsibilities.	3	\$ 15,000	\$ 45,000		0	\$ 15,000
The detention basin adjacent to South Broadway (opposite of Desert Hills Road). An actual condition assessment and replacements costs should be included for study updates.	1	\$ 25,000	\$ 25,000		0	\$ 25,000
3-Rail Fence Replacement. Total quantity shown is in linear feet and estimated from current aerial imagery. Replacement cost per linear foot is estimated.	3025	\$ 25	\$ 75,625		750	\$ 25
Masonry and cultured stone columns / pilasters. No estimate is included for cost per unit. This should be included in a future update.	20	\$ -	\$ -		\$ -	\$ -
Aesthetic lighting at entrances	4	\$ 250	\$ 1,000		0	\$ 250
	FVHOA Total Infrastructure (limitations as noted *)			FVHOA 10-Year Replacement Totals (limitations as noted *)		
		\$ 189,525			\$ 41,750	

Based on the above and with the assumptions as stated, an estimated \$41,750 will be required within the next ten years or sooner.

## Reserve Fund Investments and Needs Summary

FVHOA will maintain and invest a reserve fund to be used to pay for the maintenance, repair, replacement and/or improvement of the community infrastructure. Reserve funds are to be invested in an interest-bearing checking or savings account, a money market account, and/or certificate(s) of deposit, with provision for adequate cash reserves, as necessary. The FVHOA Board (Board) shall make investment decisions in good faith and in a manner that is in the best interests of the HOA. Likewise, utilizing this study, it is the Board's responsibility to make decisions on behalf of the HOA regarding an acceptable level (percent) of reserve funding.

#### Reserve Balances and Percent Funded as of 1/30/2026

CD Savings 1	\$ 14,094
CD Savings 2	\$ 21,687
<b>Total Reserves</b>	<b>\$ 35,781</b>

Total Reserves	\$ 35,781
Costs	\$ 41,750
<b>Percent Funded</b>	<b>86%</b>

With a current reserve balance of \$35,781 and current-year through 10-year reserve needs of \$41,750, reserves are currently funded at approximately 86%. This assumes that no additional amounts would be contributed to reserves. Likewise, future earned interest on the existing investments is not considered above. However, in a corresponding manner, inflation was not included in the cost table.

Ideally, the reserves would be funded to 100% to cover all anticipated future capital expenses. However, a commonly recommended, safe minimum threshold of 70% may be acceptable. Also note that the FVHOA budget proposed for 2026 includes \$2,700 for fence repair and replacement; this amount could be considered to be a part of the estimated amount of \$18,750 for fence replacements shown on page 3 of this study, to be required over the next ten years.

## Importance of Regular Updates

Reserve studies are not one-time projects; they require regular updates to remain relevant and accurate. For Fairway Villas, a study update is recommended every three to five years, or more frequently if significant changes occur in the community. Regular updates ensure that the Board can make informed decisions based on the most current information. For a possible near-term update, following this 2026 reserve study, the Board may choose to complete an update that addresses some of the limitations of this study.

## Limitations of this Reserve Study

Numerous estimates and assumptions were made regarding infrastructure quantities, condition, and replacement costs. These should be refined with subsequent updates. The condition and replacement costs for parts or all of the area inlets, lawn inlets, and lawn drain piping are unknown and should be considered for a future update. Likewise, the condition and replacement costs for components of the detention basin were gross estimates for this study but should be refined for any updates. Also, there are approximately 20 masonry columns or pilasters that are part of the common area fence and entrance statement design. From a quick inspection, most of them are in fair condition but some are beginning to deteriorate noticeably. In the distant future, they will all need to be replaced so a per-unit cost estimate and

remaining useful life should be added in a future update to this study. For simplicity, costs shown in the table in the section titled ***Findings for Fairway Villas Replacement or Major Repairs*** are shown as a snapshot in current time. Updates to this study should include inflating the costs out to the estimated year of replacement, considering the remaining useful life of components. Similarly, future gains on the current reserve balances have not been considered. Updates should include factoring future gains into the available reserves.

## Conclusion

A well-conducted reserve study is a vital tool for the FVHOA, providing a picture of future financial needs and helping to maintain the community's infrastructure, by ensuring that adequate funds are available for major repairs and replacements.

Overall, given the current reserve account balances and anticipated current-year through 10-year reserve needs, FVHOA risks can be considered to be minimal.

**Fairway Villas Subdivision, excerpts from Sheet 1 of the plat dated 3/03/08, describing dedication of easements.**

**FAIRWAY VILLAS SUBDIVISION**

IN THE NE1/4 OF SECTION 27, TOWNSHIP 11 SOUTH, RANGE 101 WEST OF THE 6TH P.M., CITY OF GRAND JUNCTION, MESA COUNTY, COLORADO.

Said Owner has by these presents laid out, platted and subdivided the above described real property into Lots, Blocks and Tracts as shown hereon, and designated the same as Fairway Villas Subdivision, in the City of Grand Junction, County of Mesa, State of Colorado, and does hereby offer the following dedications and grants:

All streets, roads and Rights-of-Way are dedicated to the City of Grand Junction for the use of the public forever.

All Multipurpose Easements are dedicated to the City of Grand Junction for the use of City-approved utilities and public providers as perpetual easements for the installation, operation, maintenance and repair of utilities and appurtenances including, but not limited to, electric lines, cable TV lines, natural gas pipelines, sanitary sewer lines, storm sewers, water lines, telephone lines, traffic control facilities, street lighting, landscaping, trees and grade structures.

All Canal Trail Easements, including all of Tract C, are dedicated to the City of Grand Junction as a perpetual easement for the use of the public forever, subject to the rules and regulations of said City, for purposes including but not limited to, constructing, installing, maintaining and repairing a trail and appurtenant facilities and for ingress, egress and access for the public with accompanying pets, if any, for use as pedestrians, and/or with wheelchairs (motorized and nonmotorized), bicycles, motorized bicycles (a vehicle having two or three wheels, cylinder capacity not exceeding 50 C.C., and an automatic transmission which does not exceed thirty miles per hour), electric scooters (an electric powered vehicle having two or three wheels and does not exceed thirty miles per hour), and other nonmotorized forms of transportation for commuting and recreational purposes, subject to any historical and recorded rights and usage of the Redlands Water and Power company to install, operate, maintain and repair irrigation water and water transmission and distribution facilities.

All Pedestrian Easements are dedicated to the City of Grand Junction as perpetual easements for ingress and egress access use by the public forever for constructing, installing, maintaining and repairing a trail and for purposes of walking, running, wheelchairs (motorized and nonmotorized), bicycling, and other nonmotorized forms of transportation for commuting and recreational purposes with or without pets accompanying them.

All Utility Easements shown hereon are hereby dedicated to the City of Grand Junction for the use of City-approved utilities as perpetual, non-exclusive easements for the installation, operation, maintenance and repair of utility lines and appurtenance facilities including, but not limited to, electric lines, cable TV lines, natural gas pipelines, sanitary sewer lines, storm sewers, water lines, and communication lines.

All Drainage Easements, including Tracts B, D, E, and H, are dedicated to the City of Grand Junction as perpetual easements for the inspection, installation, operation, maintenance and repair of detention and drainage facilities and appurtenants thereto. The City of Grand Junction is dedicated reasonable ingress/egress access to the drainage/detention easement areas. The owner(s) and/or the property owners' association, if one exists, is not relieved of its responsibility to inspect, install, operate, maintain, and repair the detention and drainage facilities.

All Drainage Easements, shown hereon, recorded by separate instrument, are granted to the Fairway Villas Subdivision Homeowners Association, not subject to partition, for storm drainage purposes, subject to the various easements shown on this Final Plat.

The following Tracts, shown hereon, recorded by separate instruments, are granted to the Fairway Villas Subdivision Homeowners Association for the purposes stated and which are subject to the various easements shown on this Final Plat:

Tract A: for landscape purposes

Tract B, Tract E and Tract H: for pedestrian trail purposes and storm drain and irrigation purposes

Tract C: for use as follows: 1) for drainage purposes, 2) for irrigation purposes and 3) for landscape and open space purposes.

Tract D: for pedestrian trail purposes, irrigation purposes and Drainage and detention pond purposes

Tract F: for landscape purposes

Tract G: for irrigation, drainage and landscape purposes

All Tracts/Easements include the right of ingress and egress on, along, over, under, through and across by the beneficiaries, their successors, or assigns, together with the right to trim or remove interfering trees and brush, and in Drainage and Detention/Retention easements or tracts, the right to dredge; provided however, that the beneficiaries/owners shall utilize the same in a reasonable and prudent manner. Furthermore, the owners of said lots or tracts hereby platted shall not burden or overburden said easements by erecting or placing any improvements thereon which may impede the use of the easement and/or prevent the reasonable ingress and egress to and from the easement.

	File Name: C:\PROJECTS\6029\6029PLAT.DWG		
<p><b>FAIRWAY VILLAS SUBDIVISION</b></p> <p>IN THE NE1/4 OF SECTION 27 T11S, R101W, 6TH P.M. IN THE CITY OF GRAND JUNCTION, MESA COUNTY COLORADO</p>			
Designed Drawn	Checked ESS	Proj# 6029 Rev:	Sheet 1 of 2