

From: Mark Zinicola/ HOA Water Department Chair

To: HOA Water Members

By now you have received notice for the Annual Members Meeting with the proposed budgets for 2026. This letter is to inform you that the water budget in this notice is not my proposed budget to the members. It appears Duke, our Road Department Chair, and Theresa, our HOA President, took it upon themselves to ignore my proposed water budget for 2026 and substituted their own, raising the water assessments by almost a \$100 for next year. This is uncalled for and doesn't support reality.

As of August 30, 2025, we had \$48,000 in reserve representing 120% of the annual water budget with an additional \$18,000 remaining in this year's budget. Unfortunately, we had a major failure at the pump house in late September. The emergency shutoff float in the well failed along with the well recharge rate dropping and the well ran dry. The pump continued to run pushing air into the system and burning out the pump.

With a new pump and emergency shutoff float and two leaks repaired due to air in the system, the final cost is estimated at \$15,000 leaving only \$3,000 in this year's budget.

Going forward we now have a new pump house with all new emergency equipment working properly. It would be highly unlikely a repeat of this incident would occur again anytime soon. At this time the water system is working better than it has and the wells recharge rate has recovered. We are pumping 55 gallons per minute with no issues.

When calculating for next year's budget, I looked at actual expenditures for the last two years, adding \$8,000 for any repairs when and if needed. I am asking for a vote of the members to establish a \$10,000 operating reserve for 2026. Assessments are billed in February and not due until June. In the early part of the year payments are very slow and may not cover monthly expenditures. The operating reserve will pick up any shortfall until later in the year when payments pick up.

I am asking for a vote of the members to purchase the 30 meters, pipe setters and boxes that we need to complete the meter installs with reserve money in savings. As the prices are going up almost monthly, it is best to buy them now when prices are somewhat low. After this purchase the reserve would be about \$30,000, or 75% of this year's annual water budget.

Enclosed are the 2026 Water Budget Proposal and a more detailed Incident Report.

Please attend the Oct. 18 Members Meeting where I will submit this Budget for a vote.