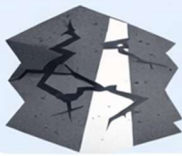


# The Dangers of Underfunding: Road Repairs Ahead



Why Skimping on Reserves Now Can Lead to Major Costs Later!

## Aging Roads



Our roads are deteriorating and will need major repairs soon.

## Big Costs



Full road replacement can cost \$1M–\$3M+.

**! WARNING!**

**LOW FUNDS NOW = HIGH BILLS LATER!**

## Special Assessments



If reserves fall short, we'll face large per-home fees!

## Financial Burden



Sudden, hefty bills can hurt all our homeowners.

**PLAN AHEAD. BUILD OUR RESERVES NOW TO AVOID A CRISIS LATER!**

## Blue Heron Roads

When the original developer laid the groundwork for this Blue Heron Woods and its HOA, the starting dues were \$250/lot. Over the years, due to various cost increases incurred by our community, the dues have increased marginally. After a thorough engineering study was completed this past year, it has been determined that we must begin financial preparation for more substantial road repairs and/or replacements over the coming 10 – 15 years.

BHW has approximately 3.5 miles of roads. The good news is that right now, they are still in good shape. The Board is proactive in planning ahead so that our home and lot owners do not end up being forced to pay an inevitable hefty bill in years to come. If we were to replace all roads today, it would likely cost at minimum \$1.3M, so we are conservatively estimating that we budget for \$2M needed 10 – 15 years from now (5% inflation).

**The Board cannot stress enough the dangers of not preparing for road replacement. There are countless stories of homeowners receiving bills for thousands of dollars that they are required to pay. There is no way to avoid this eventual situation BHW will face.**

The 15 Year Plan details are as follows. Please note that every year, the Board will review and assess the Plan to ensure it serves the best interests of the community.

Poorly maintained roads are not only a safety issue, but a substantial detriment to both buyers and sellers.

- Estimated Count of Lots: 120 (adjusted due to combined lots)
- Estimated Goal in 15 Years: \$2,000,000
- Estimated Rate of Return: 2% (this is very conservative)
- The Plan assumes the money will be invested in only risk-free investments such as, but not exclusively, T-bills or CDs.
- A portion of the money will be liquid at all times for emergency repairs and known repair costs.

### Dues

Effective this Fiscal Year (June 1, 2026 – May 31, 2027), there will be an increase in the annual dues/assessments to support operations and our new Road Fund. Changes are as follows:

- **Annual Dues:** \$300 (Reduced from \$350)
- **Annual Road Fund Assessment:** \$400 (NEW)
- **Total Annual Investment:** \$700
- **Annual increase of \$75 to be reviewed at the end of each fiscal year.**