

**SPECIAL ASSESSMENT EXPLANATION**  
**APPROVED BY THE MEMBERSHIP ON APRIL 1, 2016**  
**OPTION B: PASSED WITH 192 VOTES**  
**OPTION A: FAILED WITH 39 VOTES**

On January 9<sup>th</sup> the Board of Directors hosted a Community Information session to discuss, in depth, the three major projects facing the Association and how they could be funded. The three projects are the relocation of the Maintenance Facility, the Shared Well and reconstruction of the Upper Birchwood Lake Dam.

A brief overview of each project:

**Maintenance Facility** - According to Association records, the existing maintenance building was constructed in 1964. This building along with the accessory buildings on the property were conveyed to the Association by All American Realty, the original developer. In 2002 the Association submitted to Delaware Township a request for a variance to construct a new facility. They were denied. In 2007 the Membership approved funding for a new or reconstructed Maintenance facility. Engineers were hired and preliminary plans developed. Every plan was put on hold the day Birchwood received notice from DEP of water problems generating from the maintenance yard. Now we are back on track, so the existing maintenance building can be reused for the Shared Well. Preliminary design work and an informal meeting with the Township has been completed and has been reviewed by the Capital Projects Committee. The plan is to construct a pole barn style maintenance building (approximately 4,000sq ft.) to house the vehicles, equipment and supplies as well as a concrete two bay road salt storage building with fabric tension roof, constructed to high standards, storm water management system, well & septic and several outdoor material bays. The preliminary engineer cost estimates for the complete project are estimated at \$450,000.

**Shared Well System** - In late 2010 the Board of Directors retained the services of Brian Oram, Hydrogeologist, for the purposes of an initial assessment and screening in response to the notification from DEP regarding complaints from a homeowner with high chloride in his water. It was determined that improper storage of road salt had leached into the aquifer. As the Board searched for the best remedy to make those impacted owners “whole” the option of a shared well has been heavily explored. Our engineer felt that the site of the existing maintenance building could be re-purposed, with modifications, to serve as the water storage and well house for a shared well system. Two locations outside of the impacted zone were identified and exploratory wells drilled to determine if the water was acceptable and would provide the needed production to service 8 – 15 homes including 10,000 gallons of water storage. Our engineers worked with the Board to determine how best to run these transmission water lines to the current maintenance yard (future well house). At this time, it is expected that the cost of constructing the shared well, develop the actual production wells, restoring owners properties after shared water lines are run to each home, and restoration of the roads where we run actual water lines will be approximately \$1,100,000 dollars and an additional \$350,000 to continuing removing salt from the aquifer, abandon certain wells, repairs to plumbing in the impacted homes.

**Upper Birchwood Lake Dam** - In early 2006 the comments from DEP were that the dam was in fair to poor condition and they expected a permit application for rehabilitating the dam to be submitted; in 2008 the notation was that the dam was in need of total rehabilitation. During 2009 the board and its engineer worked to develop a plan for submitting a permit submission and construction. A vote of the membership was taken and a labyrinth design was chosen and also Crossings Road would be serviced as a pedestrian walkway and there would be no vehicle traffic. Engineers developed the designs as voted by the membership and in late

2012 a permit submission was sent to DEP – Department of Dam Safety. At the time of the permit submission, the anticipated engineers projected costs was \$1,085,000. The latest technical review by DEP resulted in some very minor plan adjustments and one major issue that revolves around seepage from the Lower Birchwood Lake. DEP is in the process of seeking advice from their geotechnical expert in Pittsburgh. As we enter year four of the permit process, the light at the end of the tunnel seems brighter and we are hopeful to have a valid permit as soon as all DEP requirements are met. At this point the estimated cost of the project is still being projected at \$1,100,000.

The Board of Directors and Finance, Budget & Contract Committee are presented two funding options as a result of many hours reviewing all possible scenarios:

- **OPTION A:** We would go back to the private bank that has already given approval for a loan and reapply for \$1,500,000 over five (5) years at approximately 5% interest rate; and self-finance \$1,500,000 for five (5) years for a total of \$3,000,000, plus interest. Special Assessment would be \$804 per year for five (5) years; a total of \$4,020.
- **OPTION B:** A fully self-funded assessment of \$3,000,000 over five years. The fully self-funded option eliminates the payment of interest altogether. Borrowing the \$3,000,000 would have cost the Association over one million dollars in interest. Special Assessment would be \$756 per year for five (5) years; a total of \$3,780.

There will be discounts available for those that choose to pay the entire five years in full of \$100. For those that wish to pay the assessment in full when billed each year, they will see a \$10 discount. Monthly installments equal to 1/12<sup>th</sup> of the assessment will also be available.