

December 12, 2023

Dear Homeowners:

The Board appreciated the amazing response to our Fire Suppression plan and funding proposal. As you can see from the graph provided through the Survey Monkey application we had 94 votes cast, 71 votes were in favor and 23 against the plan. It is apparent that most of our homeowners understand the need to proceed with implementing our system which provides a dependable water supply and executes Fire Wise standards. A super majority of our homeowners voted to support the Board proposal and funding plan.

This system and proposed fuel reduction are a lifetime investment to protect our Cove. Home fires are a primary focus, but the tanks offer significant water supplies for lightning and human caused blazes and to supplement water for those near a hydrant. Garrett DeJong, our Valley County Fire Chief, informed us that our tank system is invaluable in providing additional water to any Cove fire in addition to getting all uncovered homes into a lower Fire class. The reduction in risk class will allow lower cost insurance coverage for many of our homeowners.

Those who have had the good fortune to be covered by the Church Camp hydrant or the City hydrant at five points have enjoyed the benefits of reduced risk class over the past few years. We have asked them to participate in the funding of the system as it is a comprehensive Cove wide project that includes fire fuel reduction, homeowner education, wells, water tanks, and a contingency plan for additional water supplies as needed.

We are sensitive to those who cast a negative vote. As several of our homeowners suggested, the Board considered an allocation based on property valuations. You may see a funding formula that is based on Valley County assessments. The Valley County Fire assessment each of us pays is based only on our property valuation and is the same percentage for all homeowners. Each of our homeowners pays the same Valley County tax based on land and improvement valuations. Those with higher property values pay more for Valley fire and property taxes. Our proposed system is a long term infrastructure asset, it is not based on property values.

The Cove charges each of us the same annual dues. We all share the Cove and find value in the community. This system will significantly improve safety and the protection of our homes and surrounding forest.

We will be finalizing a budget, working with our civil engineer and the Valley County Fire Department. We will need to order the two tanks in the near future but intend to bridge that financing with a commercial bank loan and perhaps some of our current surplus. We anticipate an allocation request to our homeowners in the April/May 2024 time frame. If payments create a hardship for you please contact a Board member to discuss alternatives.

The Board will credit each homeowner with their Assessment amount. If a cabin or lot is sold the HOA will require prorated dues and a reimbursement of the Assessment. The Cove will act as a conduit to return your original investment.

A committee of the Board will be updating By Laws and Cove rules this winter. One suggestion will be to collect any assessments amounts from future lot owners as well as an HOA Membership fee that will be used to support our infrastructure as use grows on our roads and in the common areas.

Thank you to the Homeowners for their overwhelming participation and feedback.

Mike Mooney,

Chairman

Pilgrim Cove Homeowners Association