



Newsletter

Fall 2013

Report on Our Water Company

We are facing difficult times financially as evidenced by our significant increase in Maintenance and Improvement assessments during the first and second quarters of this year. None of us wants to pay more, however we really have had it "good" for a very long time and now we are facing the stark realities of having an aging system that needs attention. We also need to face the fact that we have been getting a relatively free ride with Bill Angeloni's considerable donation of time. We need to be thinking ahead at least ten years so that we can plan for likely increases in expenses.

We are facing large capital expenditures (construction work) within the next 5-10 years

We have just spent about \$225,000 for a new 90,000 gallon steel tank on Alta Sonoma Road (the extension of Sweet William Court). Not only does this improve the reliability of our system but also enhances fire protection with its greater reserves. We need to budget for replacement of at least two more tanks as soon as we can manage to do so as they are "on life support".

Here are some photographs (before and after) for the tank we just finished. It is pretty obvious how much of an improvement this new tank is and you get a better idea as to what about \$225,000 buys these days (recognizing the savings that Bill enabled us to realize).



Old Tank on Alta Sonoma that was just replaced



New 90,000 Gallon Tank on Alta Sonoma

For budgeting purposes, this amounts to in excess of \$500,000 which is huge for a small company such as ours. We need to factor in inflation, likely

increases in fees, engineering costs and so on. So, we hope you now have a better idea as to what we are facing in the years ahead, and why we all need to provide significant amounts of money to accomplish this work.

We cannot be run by amateurs and we have been getting off “easy” for a long time

Twenty years ago we were in a very different situation than we are today.

Now both our manager and maintenance person must have numerous certifications to legally operate our system. Both Bill Angeloni and Ray Zastro have the required certifications. If we were to hire a company to do the management, we would be paying in excess of \$150 per hour. It is estimated that Bill Angeloni devotes about an average of 8 hours a week to the water company. This translates into about \$4800 per month or about \$58,000 per year! Until recently, we have been paying Bill less than \$200 a month to reimburse him for use of his vehicle. Long-term, we cannot rely on Bill's graces and willingness or ability to perform this function.

The person who does a lot of the maintenance work for us, Ray Zastro, will not be available indefinitely either. Once he is no longer working

for us, we will most certainly face higher maintenance rates.

We have an aging system

We have just finished replacing a very old redwood tank that had a plastic liner to extend its life with a new 90,000 gallon bolted steel tank at a cost of about \$225,000.

We have two other redwood tanks that are extremely old and outlasting their expected lifespans. These tanks are requiring a lot of repairs just to keep them intact. Below are some photographs that show just how poor these tanks are.



Tank at White Oak Ct.



Tank on Kenleigh Dr.



Alta Sonoma Tank that was just replaced

Without a reliable source of safe water, our places would be worth very little. The need to keep our system reliable and safe is essential and not optional. Please keep this in mind when you have to hold your nose and pay your water bills. None of us likes this.