

Ballot Measure

May 14, 2005

Notice of Special Membership Meeting of HMC Management

Notice is hereby given pursuant to Article 4 of the Bylaws of HMC Management that a special meeting of the membership will be held on Saturday, May 14, 2005 at the hour of 12:00 Noon at the HMC Community Building. At the meeting, one (1) ballot proposal described below which has been set before the members by action of the Board of Directors will be voted on.

Members may vote in person at the meeting or by mailing or delivering the enclosed absentee ballot to the HMC Office so that it is received prior to the time of the meeting. *Ballots will not be counted unless your name and signature appear on the large envelope.*

1. Pursuant to Paragraph 2.1.3 of the Bylaws of HMC Management, the Board of Directors has proposed that a special assessment of \$200 per assessable unit, due and payable July 1, 2005 and to be applied to the cost of a new community water storage tank with any excess to be applied to the water reserve account, be ratified by the membership.

Ballot Explanation

The initial cost estimate for replacement of the Herron Island water reservoir was \$80,000. Expenditure of the existing \$59,000 water reserve account and a special assessment of \$60 per assessable unit to provide the remaining \$21,000 was approved by the membership on a ballot in the June 2004 Beachcomber. Since then, major unanticipated expenses have necessitated a request to the membership for an additional \$200 per assessable unit special assessment.

The largest of these new expenses is the cost of the plumbing required to integrate the new tank into the existing distribution system. The original intent was to use on-island labor and equipment and spend \$3,000 to buy the required pipes, dig the trenches, and make the connections. Instead, HMC is required to hire a contractor who will import equipment and labor at an estimated cost of \$29,000. Another \$12,000 in unanticipated expenses results from requirements for a geologic study, a topographic survey, testing of the concrete as it is being poured by an independent laboratory, and state and county permits. Additional sand and aggregate required for the concrete will cost \$12,000 more than expected.

An additional expense that is not required, but is strongly recommended by the HMC Board, is \$10,000 for a Tideflex water circulation system. Reservoirs without such a system have zones of stagnant water where debris and bacteria build up over time. The Tideflex system will force all incoming water to be output in minimum time, thus negating any requirement for chlorination.

Adding another \$12,000 as a contingency for further unanticipated expenses, the additional requirement totals \$72,000, which would be covered by the special assessment of \$200 per assessable unit. Any funds in excess of actual costs will be returned to the water reserve account.

Despite the considerable increase in estimated cost, the urgent need to replace the undersized, leaking, and contaminated current reservoir remains. The HMC Board of Directors requests and recommends a “yes” vote on this ballot.

Official Ballot and Voting Instructions

1. Vote yes to accept the proposal set forth below. Vote no to reject it.
2. Insert your ballot in the envelope marked "Official Ballot" and seal the envelope. Do not put your name on this envelope. Do not place anything other than one Ballot in this envelope.
3. Place the small envelope marked "Official Ballot" in the large envelope. **You must sign the large envelope and make sure that your name and address appear on the large envelope. *If your name and signature do not appear on the outside of the large envelope, your vote will not be counted.***
4. To be considered a member in good standing and have your vote counted, all delinquent charges and assessments must be paid in full before the Ballots are counted.
5. Please make sure that your name is legible on the large envelope. If your name cannot be read, the ballot will not be counted.
6. Your absentee Ballot must be received in the HMC Office by 12:00 Noon, Saturday, May 14, 2005 to be counted. If you prefer to vote in person, please attend the meeting. The Ballots will be counted at that time.

Proposition No. 1

(Ratification of Special Assessment)

Shall a special assessment of \$200 per assessable unit, to be applied to the cost of the construction and installation of a new community water storage tank with any excess funds to be applied to the water reserve account, and due and payable by July 1, 2005, be ratified by the membership?

☐ **YES** (For Proposition)

☐ **NO** (Against Proposition)

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