



The Groves at South Mountain Homeowners Association

c/o Thrive Community Management
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Dear Homeowners

Enclosed is a summary of the 2023 budget for your community. Please review it carefully and retain it with your community records.

Operational Expenses

The aim of the annual budget is to ensure there are sufficient funds available to cover the costs of properly maintaining and repairing the common areas and carrying out required administrative and other responsibilities throughout the year and anticipating expenses in future years to ensure the sustainability of the community's common area amenities. An increase of \$31 per quarter would allow the association to meet the rising costs for goods and services for the upcoming years.

Phoenix Drought and Water Restrictions

In 2022, the Federal Government reduced Arizona's water supply by 18%. Additional reductions of at least 3% will be made in 2023. As the drought continues and water levels drop to historic lows, models anticipate additional water reductions of an additional 15-17% by 2024.

As a desert community it must be our priority to use water responsibly, and act proactively. By doing so we will avoid future fines and water cut offs. At the same time, we will be doing our part in keeping The Groves at South Mountain and Arizona sustainable and beautiful for future generations.

Water Reduction Project

To begin the process of reducing The Groves at South Mountain's water usage, the Board of Directors has been working with the landscape company on a grass reduction project. As the greenbelt in the community is a great asset, eliminating it is not an option, but reducing the grass is necessary. The initial proposals received anticipate the total project to cost roughly \$70,000. The project will be completed in phases. The 2023 budget includes the first phase of the grass renovation under Community Enhancements at a cost of \$21,000. Upon completion of the project, we estimate a water savings of 80,640 gallons per month.

Shade Expansion Project

As temperatures rise every year, studies have shown that trees are crucially important to urban environments and can reduce the heat load on your body as much as 50 degrees on hot and sunny days. To complement the water reduction project we will also add approximately 27 trees to the greenbelt area, that eventually, will completely shade the reduced grass areas. The budget for 2023 allows for the addition of 3 trees. The project is anticipated to be phased in over 8-9 years. An additional \$12.00 per quarter will allow the Board to complete enhancements to the community that will increase its value and attractiveness, and use 90% less water than grass alone.

Where Communities Come to Thrive!

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