

Spanish Wells Unit Two Year 2025 In Review

Unit 2 continues to lead the way in Spanish Wells. Through effective self-management and the dedication of our board and many volunteers, Unit 2 maintains the lowest dues and experiences fewest issues of the other sub-HOAs in Spanish Wells.

For reference, if instead of being self-managed, we hired an HOA management company, everyone's dues would go up at least \$150 a year and perhaps as much as \$200.

We have a strong team that works well together and avoids unnecessary problems and knee jerk reactions, and that makes a real difference. Thank you to everyone in the HOA and the Board for helping make this possible—it is truly a pleasure to serve as your president.

I would also like to thank all residents for their cooperation in keeping Unit 2 looking great and for reaching out with questions or concerns.

I've had the opportunity to speak with many of you over the past year, and I believe we've been able to address and resolve most issues along the way. Your involvement and communications are greatly appreciated.

Thank You.

Watering Restrictions

In the 20 years I've lived in Spanish Wells, I've never seen the lakes and ponds this low so early in the year—levels we'd normally expect in late May.

As you know, Bonita Springs had a significant rainfall deficit last rainy season, and lawn watering restrictions from the City of Bonita Springs and Lee County are in effect. They are 2 days a week and apply to both well and city water systems:

- **Odd-numbered addresses:** Wednesday and Saturday

- **Even-numbered addresses:** Thursday and Sunday
- **No watering between 9:00 a.m. and 5:00 p.m., any day all year long.**

We've noticed some Unit 2 systems are running outside the permitted times. Please check your irrigation settings—or have your lawn service do it—to ensure compliance with both the assigned days and hours.

Also, take a moment to check sprinkler alignment. Watering streets, sidewalks, or other paved areas wastes water and increases runoff.

Bonita Springs Code Enforcement is actively issuing citations for violations. Please confirm your settings to avoid fines.

In a related subject:

Cris Miller, a unit 2 resident, has arranged a tour of the Bonita Springs Utility plant on Feb 24th at 10:00am.

The purpose and overview of the tour is to demonstrate to the community how BSU provide water treatment and wastewater services.

The plant is located at 11900 E. Terry Street, Bonita Springs, FL 34135

Directions and further information will be put out in a constant contact email.

Mail Boxes.

Some of you probably heard that the Board looked into refurbishing all the mailboxes in Unit 2. This was based on Unit 3's recommendation.

Unit 3 previously used their HOA funds to refurbish all the mailboxes within their unit. In June, a similar proposal was discussed for Unit 2, with an estimated cost of approximately \$8,500. This a good example of not knee jerking that I mentioned before. There was enthusiasm for the project, but it needed to be thoroughly thought through before proceeding, thus the Board sought a legal opinion.

Our attorney advised that because the mailboxes are privately owned, the HOA is not permitted to refurbish them using association funds.

The HOA's role, is to ensure compliance by requiring homeowners to address mailboxes that are in need of repair or replacement.

In early September, Len, Frank, and I toured the neighborhood and identified mailboxes requiring attention. 22 Homeowners were notified by letter and provided with a photo of their mailbox. The response was excellent, and the identified mailboxes were promptly repaired or replaced.

Audit Requirement

As you know, SWCA increased residents' annual dues for 2026 by \$427.44. Unit 2 added \$24 per year. Our total budget is a little over \$509,000 but \$502,00 is SWCA pass through.

Under Florida Statute 720, which governs HOAs, any HOA with revenue over \$500,000 must conduct an annual audit. An audit can cost upwards of \$8- \$10,000 dollars. We initially thought this might apply to us.

However, on digging deeper we discovered that Florida Statute 720.303(7) does not define "revenue" differently from standard accounting rules; therefore, HOAs must follow what is called Generally Accepted Accounting Principles (GAAP). Under GAAP, only funds that HOA owns or controls for its own benefit are considered revenue.

What that means is when a sub-HOA (Unit2) collects dues on behalf of a master HOA (such as we do for SWCA), and the sub- HOA has no discretion over how those funds are used, and is required to remit them directly to the master HOA, the Sub- HOA is acting solely as a collection agent. In this situation, the funds are considered pass-through funds and are not treated as revenue under GAAP.

Therefore, since pass-through funds do not count toward statutory revenue thresholds e.g. the \$500K audit threshold, they are not considered revenue for Unit 2, so no audit is required.

I sent this approach to our attorney who concurred with it. I also talked with the president of Unit 1, which has the same issue. He provided a letter from their attorney confirming that pass-through funds are not revenue.

For clarity, Unit 2's actual projected revenue for 2026 is a little over \$7,000 and no expensive audit is required.

Lakes & Ponds

Several of you complained about the condition of the lakes and ponds. SWCA finally listened to residents' complaints and changed lake management to Solitude from the Lake Doctors during the summer. Solitude is here once a week instead of once a month like Lake Doctors was. Conditions have improved. The most dramatic thing they did was to rake the scum off the narrow portions of the lakes. SWCA is developing a 10-year plan for the lakes and ponds. Joanie will provide a brief update on the SWCA portion.

Patriotic

American flags were placed in front of each home on Memorial Day and Veterans Day. They were planned to be put out on July 4th, however, due to heavy rainfall, we decided not to display the flags.

We extend our sincere thanks to the volunteers who helped place the flags and later take them down, they certainly made Unit 2 look patriotic and festive. For the record, the Flags were donated by Unit 2 board members and residents. Another great thing about living in Unit 2.

Christmas Decorations

Unit 2 cleaned up at the 1st Annual Spanish Wells Christmas Decorating Contest!

From the SWCA Announcement recognize three outstanding winners:

- **Most Festive Sub-Association – Unit 2**
Both islands were beautifully and festively decorated, showcasing outstanding resident participation and true holiday spirit.
- **Most Original / Creative Display**
Jeff & Kerri Thomas – 28386 Verde
- **Most Festive Display**
Chris & Missi Capella – 9772 Treasure Cay

A huge thank-you to everyone who participated and helped make the community shine this holiday season! And thanks to Joanie Holmes for organizing it.

Home Sales

Home sales in Southwest Florida continue to show solid momentum, especially as prices have adjusted lower from their peak of two years ago. Buyers remain eager to purchase high-quality single-family homes, and Unit 2 continues to command strong interest.

In 2025, 13 homes in Unit 2 were sold. The market has adjusted. By comparison, Unit Two recorded 8 sales in 2024 and 6 sales in 2023.

Construction on the new home on the vacant lot on Treasure Cay began in August and is moving along quickly. The home is expected to be completed in the near future and will be a welcome addition to the neighborhood.

Spanish Wells continues to attract new buyers due to its prime location and the significant improvements made to the Spanish Wells Golf and Country since residents purchased the Club in 2018. Amenities have expanded to include pickleball courts, new bocce courts, an updated fitness center, and recently added cornhole courts.

Resident membership has grown to 503 homes in Spanish Wells.

David will address social activities. We have had 8 very successful Cocktails and Conversations events this year. Our social activities are second to none in Spanish Wells. Well done David & Jeanne Moretti.