

Diamond Peaks at Leisure Woods I and II HOA Inc

PO Box 26241, Prescott Valley, AZ 86312

diamondpeakshoa.org

Annual Meeting - 2024

Call to Order Annual Members Meeting

June 18, 2024

Called to order @ 6:36

Board Members (5):

Mark Allen
Greg Hall
Stephan Schepergerdes
Kim Audova
Frank Alverson

Community Members (16*):

Greg Amada
Andrew Audova
Dennis Erickson
David and Della Hill
Bill and Mary Karp
Ed and Sharon Keith
Jay Lava
John Lavassaur
Cole McGowan
Roxanne Neumann
Frank Powers
Cathy Sperie
Andrew Waler
Greg and Wendy Wamida
Steve Winegar
Dave Wynn

Welcome Attendees!

Diamond Peaks At Leasure Wood I and II Homeowners Association overview

63 Lots

46 Connected to water

61 Owners

** Quorum is 20% (13 households) making this an official and legal annual meeting!*

Webpage: diamondpeakshoa.org

Phone Number: 541-525-0468

Email: diamondpeakshoa@gmail.com

*Information is monitored by the DPHOA Board

Role of the DPHOA Board:

The board is elected by the DPHOA and follows the bylaws approved by the community along with the Covenants, Conditions and Restrictions (CC&R's). The purpose of the board is ensuring the bylaws and CCR's are followed along with overseeing the maintenance of the roads including snow removal and ensuring our community has a reliable water system. The board is also responsible for ensuring DPHOA tax documents and payments are completed, responding to and anticipating members needs and ensuring State Requirements are being met.

**Maintaining a reserve fund for future needs.*

**Maintaining registrations and reports with the State of Oregon*

I encourage DPHOA Members to run for a position if interested. It has been a very positive experience for me (Mark). New members bring a fresh prospective which is great. I have met some great community members and having an active board protects our investment.

New Business

Andrew Waler is the only community member who applied for the open board position. Mark Allen nominated Andrew, and he was unanimously elected.

Welcome to the board, Andrew Waler!

Treasurer's Report

June, 2024 Balance

Stephan's term is up and he's taking a break from the board for this term. We'd like to thank him for the many years of service!

Checking: \$46,000

Savings (Reserve): \$241,000

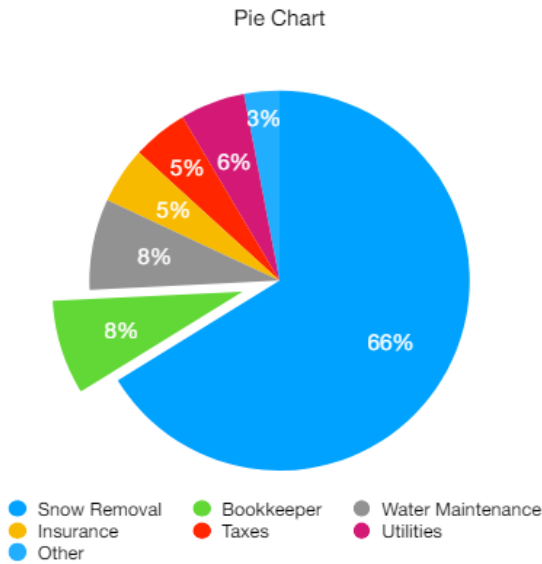
Total: \$287,000

**See attached profit and loss for details*

Annual Dues (63 x \$1,075): \$67,725
Annual Water (46 x 360): \$16,560
Bank Interest: \$7,200 (Variable)

Annual Income: \$91,485

Annual Expenses: \$56,000



Summary of main expenses

- Snow removal up to 37k. 66% of overall expenses
- 8% bookkeeper
- 8% Main change is the water pump issue and upgrade.
- 5% insurance. Agency changes went up to 2,700.
- 5% is the taxes mostly due to interest.

In summary, we get a lot of value for what our fees are on a month-to-month basis.

DPHOA TAXES:

Well Lot Taxes: \$18.00/year

HOA Federal and State Taxes:

Until 2023 we paid no taxes. We are a non-profit under Section 528 for "exempt function income." Exempt function income are dues collected that are at least 90% related to HOA expenses, therefore not subject to taxation.

BUT

After our Reserve Fund (bank Savings account) generated in excess of \$100 over the Exempt Function Income, we needed to pay taxes on the rest.

2023 Bank interest income: \$2,916

2024 estimated bank interest income: \$9,300 (4.59% of 203,000)

DPHOA TAXES:

We are now obligated to pay Estimated Quarterly Taxes of:

Federal Tax: 30% x \$9,200 = approx. \$690/quarterly

State Tax: 6.6% x \$9,200 = approx. \$150/quarterly

Road / Snow Snow removal:

Costs increased from \$34,500 in 2023 to \$37,000 in 2024.

Price keeps going up (to 37k). Board is working to get the cost down. Has a plan to get-together with the other HOAs in DP to figure out how to negotiate the prices so they're more cost-effective. Hoping to meet this summer.

Board has received interest from other interested parties but they don't have a plan/place to stay.

Road surface: Roads are needing attention. Cracks in the asphalt are getting larger and need addressed before getting too large. Researching crack sealing vs. coating vs. paving. The roads were last crack seal 2017. The roads were inspected by a representative from Sierra Santa Fe April of 2024. estimating a cost of 19,000 sq feet @ \$0.50-0.60/sf equaling approximately. \$100,000 for an Onyx polymer coating estimating to last up to 14 years. Paving would cost more than twice as much and does NOT make road base more stable.

Mark Allen inspected the Onyx installation on the road in downtown Creswell near city hall and looked good.

Stephan S.: Cracks aren't going anywhere due to expansion and contraction. They will always be there. Putting asphalt over the time might look better but doesn't add strength to the road due to how the pumice dirt moves around. Point is cracks need to be addressed otherwise water gets in and makes them worse (expansion due to ice). Look doesn't equal structural integrity.

Dennis Erickson: asphalt is a 'Point in time' business. Costs can fluctuate. They won't give us an actual bid until we ask them. They said we could go another 2-3 years. Cost is likely around 114k with all the bells-and-whistles. Andrew Waler had an idea: Saw-cut the cracks, suck out the asphalt, and pour in hot aggregate. We could try this out this or next summer. Experiment with a couple of cracks. We should discuss during a board meeting.

Red Cone Drive sign moved: Due to the continued damage to the street sign @ Lolah and Red Cone, it was moved across the intersection.

Water System

Well pump failure: In June of 2023 the well pump failed., A new well pump was installed in July of 2023. THANK YOU Kim and Andrew Audova for keeping DPHOA water supplement from Summit HOA going, even over July 4th weekend!

We use on average 3500-400 gallons a day. More on holiday weekends. Reservoir holds 41k which is ~7-10 days worth of water.

Well static water level: Historically the static water level has been registering @ 4 ft. In 2023 the static water level was @ 7 ft. This spring the water level was measured at 1.5 ft. The lower the number the better.

Well pump pad: enlarged, replaced, ready for shed structure

Water quality testing: Testing is done every 6 months by Delta Operations. The tests required by the State of Oregon have changed recently. Not every test is required annually. We have great water quality!

Backflow testing: The fee to connect to the DPHOA water system covers the cost of a backflow device. This device prevents contaminants from being drawn back into our community water system. That backflow device is tested annually.

Water fee increase: The annual fee for water has been \$250 for 20 years. Due to the increased cost of maintaining our water system, the annual fee was increased to \$360/ year.

Bid for alternate remote monitoring system (Cattron): \$13,420 Summit water system uses the Cattron Remote Monitoring System and it is monitored by Delta Operations. Delta Operations is the company both HOA's use to maintain their water systems.

Our current water monitoring system - We have alerts for the highs and lows only. Delta can monitor remotely and provide all sorts of analytics.

Bid for wellhead shed construction: \$14,000. This would be much less expensive with volunteer involvement.

Dennis Erickson: Tammy Guston, Summit president was tenacious about how we should go about attaching to the Summitt system. As dubious as we were at the time, she was right! She didn't ask for any money in return. She's been a huge partner in our time of need.

Mark Allen: Asking Klamath County for an address for our pump house, to make it more accessible by emergency crew in a time of time (fire firefighting and using our water). Unfortunately, at this time the county won't give us an address.

Brush Removal

Brush removal in HOA Right of Way: Brush cleared (Stephan, Dennis, Frank, Roger, Kathy) and chipped with the help of Walker Range Fire District.

Many thanks Frank Alverson on Clear Springs for doing amazing job in clearing. Echo and crew also helped out by chipping the debris piles. Most comprehensive brush clearing in years.

Also big thanks to Kathy and Roger Sperie. Not only did they help to clear the debris, but they used a blower to clear the road once it was done!

Dennis Erickson: Some are of the opinion that herbicides should be used but he disagrees because Stephan's recent brush cutting of Manzanita and Snowberry was a success. Of the 34 that were cut down, only 10 have re-sprouted. After 3 or 4 seasons we can be close to eradication! This is a case study we didn't have before, and goes to show we can eradicate without the use of herbicides.

Stephan S.: Chemical application can get in the roots by the driveway and travel to other plants, yet another reason to avoid! And we really don't want chemicals in our water system.

Community GOAL:

- Trim brush and ladder fuels to prevent fire spread. After (Mark Allen) discussions with Walker Rim, it was mentioned that if you don't maintain efforts to prevent fire from spreading, and spreads from your property to the neighbor's, you may be liable. We've asked for written documentation of this. That said, let's all make an effort to clear around our property.

VRBO/AirBnB impact on neighborhood

Stephan S.: Asked whether anyone has issues with rentals. Better to speak up when the issue comes with rentals at the time if possible.

No concerns raised by attendees.

Kim Audova: Pleased with what she's seen with rental issues (she cleans vacation rental houses in DP).

Future Community Goals / Topics

- 1) **Fire mitigation, all lots:** Beautification, keep fire insurance, reduce liability for fire propagation from YOUR lot, Echo/Walker Range grant money.
- 2) **HOA Collaboration:** The goal is to meet and work with all four HOA's in an attempt to reduce costs and make our community safer.
- 3) **Water System remote monitoring:** Review bid and brainstorm options.
- 4) **Road maintenance**
- 5) **Community input:** VRBO/Air BNB impact on neighborhood.
- 6) **Wellhead Shed Construction**

Community Comments

Mary Karp: What is the status of the water rights (from Mary someone)?

Answer (Stephen S. and David Wynn) We still own our domestic water rights in Deschutes Basin, purchased many years ago. Current value is ~30k. We were advised to hold on to as it may be of great value in the future.

David Wynn: Shout out to Stephan for working for so long and for so many years. Thank you, Stephan!

Mark Allen: Any other issues in the community? None raised.

Numerous mentioned how well the Zoom format seems to work. Suggest we continue with this format especially given the great turnout. Great job, community!

Meeting adjourned @ 7:45pm