



Vision 2025

Investing in Our Community



Silver Sands Homeowners Association

Infrastructure Plan

Approved _____, 2021



Vision 2025 is a plan to restore some essential assets and preserve the best features of our Silver Sands community. The Silver Sands Homeowners Association undertook a comprehensive review of the projects needed and the investment required to ensure our desert paradise remains a desirable, vital place for the enjoyment of current owners as well as a sought-after community for tomorrow's home buyers.

Table of Contents

Executive Summary.....	1
Proposed Projects (Summary)	1
Investing in Our Community.....	3
HOA Fees & Use of Funds.....	4
Reserves.....	4
Deferred Maintenance / Need for Special Assessment	5
Proposed Infrastructure Projects.....	7
Pools/Spas	7
Fountain & Entranceway.....	10
Perimeter Wall	11
Clubhouse Exterior.....	11
Homeowner Communications.....	13

Executive Summary

Silver Sands is now over 40 years old and in need of substantial repairs and upgrades. This five-year infrastructure plan is designed to facilitate proper management of a broadly-based renewal project, which will ensure the preservation and improvement of the property and substantially reduce future maintenance costs. The plan has been spearheaded by the finance committee and developed in collaboration with the maintenance, pools, irrigation and landscape committees and the board of directors.

The infrastructure plan addresses deficiencies in four major community assets:

- Pools & Spas
- Fountain & Entranceway
- Perimeter Wall
- Clubhouse Exterior

An investment in our community's infrastructure is critically needed at this time, beyond what can be accomplished just through current reserves. In fact, a comprehensive reserve study revealed a weakness in our short- and long-term funds, and therefore the funding for Vision 2025 must be raised via a special assessment.

Each physical component of the plan has been investigated using a step by step approach including expert consultation, solicitation of competitive bids and review of detailed project proposals. Funding investigations included consultations with financial experts and lending institutions. It is anticipated that with community support, the work will commence in 2021 and be largely completed by the end of 2025. Going forward the new reserve study will ensure better financial management of the community and limit future capital requests.

Infrastructure Projects (Summary)

Pools & Spas



All pools and spas are reaching the end of their functional lives. Some have already been shut down on a temporary basis for emergency repairs and others are in danger of closure for noncompliance with county health and safety regulations. The plan calls for replastering of all 15 pools and spas and for improvements to skimmers, ladders/handrails and lights as well as the addition of depth markers. The pool decking slabs, which are cracked in places, will be repaired using proper sectional spacers to minimize future damage and refinished with new Kool Deck materials.

The existing wrought iron fencing, which is badly rusted, will be replaced with a low maintenance powder-coated aluminum fence and upgraded to meet health and safety regulations. A darker paint color has been suggested, which will help the fence recede into the background, and adjustments to fence post placement will allow for the addition of more plant materials and boulders inside of the perimeter to buffer the effect of the 12 inches in extra fence height required by the County.



Fountain & Entranceway



The fountain is in poor condition and unsightly as a result of moisture coming into contact with plaster surfaces located near the waterfalls. Immediate action is recommended in order to prevent further decay and damage to the underlying support structure. The plan calls for preservation of the original structure with more extensive use of tile in order to minimize future water damage. A return to the original cobalt blue tile and upgrades to the surrounding landscape and lighting will ensure that the fountain fulfills

its intended role as an attractive focal point.

Changes to the Country Club entrance are planned to improve lighting and security and to refresh the face we present to the world. Lighting will be repaired, relocated and augmented to better illuminate the area and highlight features. The addition of shrubs and trees will fill in sparse areas in the landscape and improved signage will contribute to enhanced safety and curb appeal.



Perimeter Wall

Improvements to the partially deconstructed wall/fence along Verde Way (adjacent to the Marriott golf course) are planned. The leaning sections of the wall along Portola will be repaired and new paint will be applied to the entire perimeter wall.



Clubhouse Exterior



The scope of work at the clubhouse consists of renewal of the decking on the patio and the court walkways. Changes to the seating areas and addition of amenities, such as an improved outdoor kitchen and firepit, have been put on hold but may be revisited later as part of a more focused project.

Investing in Our Community

The financial demands of a five-year project of this scope are significant and difficult to pinpoint with accuracy due to construction uncertainties and inflation. However, it is believed the work can be completed with an injection of capital of \$1,826,917 that would be supplemented by available reserves. The total cost per unit amounts to \$7,136. Three payment options are available: (i) lump sum; (ii) five annual payments of \$1,437 or (iii) 60 monthly payments of \$119. Special payment plans may be approved by the board when appropriate.

Silver Sands is fortunate that many of our resident volunteers have professional experience and expertise in the areas called for by this project. Many of them have spent hundreds of hours working on what we need to do to bring our infrastructure back to the level we all expect and that will support and enhance the value of our homes in the competitive Coachella Valley market.

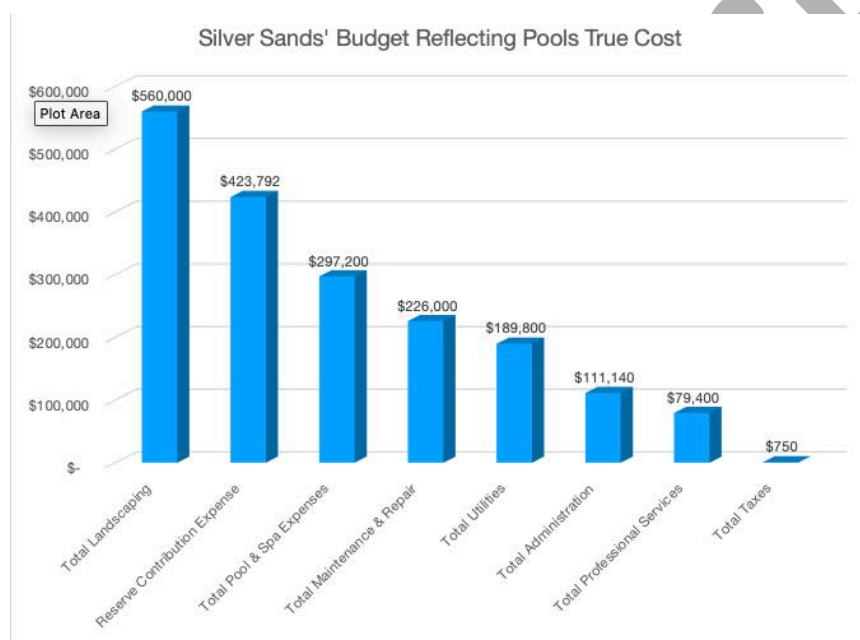
These committee members and your board of directors need your support in order to build the bright and sustainable future envisioned by this plan. Please vote “yes” to the special assessment required to fund the Vision 2025 Infrastructure Plan. Failure to return your ballot means that your vote cannot be used to help establish a quorum or to assist in giving the board a strong community-wide mandate.

HOA Fees & Use of Funds

Your \$616 monthly HOA fee supports two distinct areas: operating expenses and reserves.

Annual Income: $\$616/\text{month} \times 12 \text{ months} = \$ 7,392 \times 256 \text{ units} = \$ 1,892,352$

The following chart shows Silver Sands use of funds by category. Since pools consume the majority of the electricity and gas, their share of these utilities has been allocated to the pools category to more appropriately show the use of funds.



The operating budget pays for the day-to-day expenses: Sunshine's landscape maintenance, pool cleaning and chemicals, lights, front gate personnel, Desert Resort Management fees and all the various continuing expenses.

Reserves

Reserves are funds set aside from your Silver Sands HOA fees to pay for the future repair, replacement and restoration of the major assets that Silver Sands is obligated to maintain. These assets as listed in the reserve study include pools, walls, fountain, streets, roofs, clubhouse, courts, underground pipes and electrical conduits, landscaping and many others. Currently \$35,316 is set aside every month for reserves.

In the State of California, the David-Stirling Common Interest Development Act requires HOAs to have a program of reserves and to have annual reserve studies performed by independent experts. Silver Sands contracts with SCT Reserve Consultants, Inc. for this work. You can find the most recent reserve study at <https://www.ssrchoa.com/hoa/homeowner/notice-packages>.

This current study shows our reserves are only 27.2% of “fully funded”, an indication that we are in a situation where we may not have sufficient funds available to cover major high value asset repair or replacement. Reserves in the range of 0% to 30% are considered weak, while funding of 70% or greater is good. A lower percent funded obviously correlates to a higher risk of needing to rely on additional sources of catch-up funding.

Deferred Maintenance / Need for Special Assessment

In 2019, the Silver Sands board of directors did a study of HOA fees of comparable communities in the Coachella Valley and confirmed that Silver Sands fees have been below the average or median in the Valley with the average fee being more than \$653 per month, the median \$723. As part of the research for this document the board recently asked Desert Resort Management to do a similar study. Though only built a dozen years ago and more upscale than Silver Sands, Legacy Villa in La Quinta, which has 280 units, 12 pools, 11 spas and a fitness center, is the closest match DRM found to Silver Sands. Legacy Villa’s monthly HOA fee is \$708.35. There is no doubt a connection between our historically lower fees/deferred maintenance and our need now for increased work to bring our infrastructure and reserves back up to a healthy level.

				Adjusted dues (to include gate, cable, t ennis)	monthly operating income	Manned gate?	Cable/inte met included?	tennis included	\$/sq ft (Redfin)	comment	notes
1	Location	Units	monthly HOA dues	4/15/2020 update to HOA dues							
2	Woodhaven CC	504	\$ 520.00	\$ 530.00	\$ 520.00	262080	yes	yes	174-208		
3	Deep Canyon Tennis Club	350	\$ 525.00	\$ 525.00	\$ 525.00	183750	yes	yes	179-239	12 pools; carport, no garage	DRM
4	LaGuna de laPaz	390	\$ 500.00	\$ 500.00	\$ 548.00	195000	yes	no	210		not same, saw 622
5	Silver Sands	256	\$ 591.00	\$ 605.00	\$ 591.00	151296	yes	yes	203		
6	LaRocca	68	\$ 635.00	\$ 635.00	\$ 723.00	43180	no	no	198	6 pools no clubhouse	
7	Rancho Mirage Racquet Club	90	\$ 685.00	\$ 748.00	\$ 725.00	61650	no	yes	182		self-run; no HOA mgmt firm
8	Palm Desert Tennis Club	100	\$ 670.00	\$ 670.00	\$ 758.00	67000	no	no?	172		
9	Lake Mirage CC	239	\$ 725.00	\$ 725.00	\$ 773.00	173275	yes	no	179		various HOA dues prices
10	Desert Horizons	510	\$ 1,029.00	\$ 1,029.00	\$ 1,029.00	524790			158-174		
11	Average		\$ 653.33	\$ 663.00	\$ 688.00						
12	Median		\$ 635.00	\$ 635.00	\$ 723.00						

At the direction of the board and spearheaded by the finance committee, the Silver Sands maintenance, irrigation, pools and other committees have looked at our aging infrastructure and have outlined a plan to revitalize assets that are in urgent need. In total, the sum of \$1,826,917 is required to complete the improvements as set out in this report. Unfortunately, our current level of reserve cash balance is not adequate to accomplish the proposed repairs.

Several funding alternatives were investigated by the finance committee. The introduction of sharp annual increases to regular HOA dues was considered and ruled out as being unable to produce the necessary funds in a timely manner and because higher HOA dues negatively impact real estate values. Borrowing the funds via owner bonds or bank loans was looked into as well but rejected as being impractical and costly. In the end, the committee determined that a special assessment would best meet the needs of the community.

Levying a special assessment can be concerning for homeowners. Ways to minimize cost were explored and the most suitable options identified. However, since most of the projects making up the plan are required by health and safety laws or are maintenance matters necessary to preserve the property, inaction at this time is simply not an option.

The various project costs are broken down in the following table. As you can see, our 15 pools and spas alone command 85.45% of the total cost of the special assessment. We would like to rehabilitate at least three pools and spas a year, creating a five-year project while prioritizing pools and spas that need immediate work. The other projects will be worked on during the same five-year period.

Since not all monies will be needed up front, the board recommends spreading the special assessment over five years as follows:

FIVE YEAR INFRASTRUCTURE PLAN Updated April 6, 2021				
	PROJECT COST	YEARLY COST per HOMEOWNER	MONTHLY COST per HOMEOWNER	% of TOTAL
Pools & Spas	\$1,561,076	\$1,220	\$101.63	85.45%
<i>Pools & Spas - \$507,116</i>				
<i>Pool Fences - \$453,526</i>				
<i>Pool Decks - \$428,451</i>				
<i>Landscape & irrigation repair - \$55,735</i>				
<i>Landscape refurbish - \$116,248</i>				
Perimeter Wall	\$139,041	\$109	\$9.05	7.61%
<i>Verde wall major repair - \$95,685</i>				
<i>Portola wall major repair - \$43,356</i>				
Clubhouse	\$35,000	\$27	\$2.28	1.92%
<i>Concrete, coating, texture, color seal - \$35,000</i>				
Entrance/Fountain	\$91,800	\$72	\$5.98	5.02%
<i>Fountain renovation - \$45,900</i>				
<i>Fountain landscape refurbish - \$5,100</i>				
<i>Safety/accent lighting - \$20,400</i>				
<i>Entrance area enhancement - \$20,400</i>				
TOTAL	\$1,826,917			100.00%
TOTAL COST per HOMEOWNER	\$7,136	\$1,427	\$119	

Note: The chart is in US\$.

If some homeowners are willing to pay their special assessment upfront, then it follows that the projects can be moved up and completed sooner.

Infrastructure Projects

The projected cost for each of the four community assets under repair has been determined through detailed proposals, which in turn have been reviewed by the finance committee and the board of directors to ensure that the association will be receiving quality workmanship at competitive prices. Each project was approached with the following objectives:

- Preserve and extend the life of existing assets
- Reduce future maintenance costs
- Bring the association into compliance with county health and safety codes
- Enhance property values

Pools/Spas

Pools are a major infrastructure asset of this community and a reason why many choose Silver Sands as a home. They are a focal point in each resident's "pod" and are viewed every day. Pools have been serviced on a regular basis and equipment has been replaced as necessary. However, the underlying infrastructure has not been attended to which is causing the pools themselves to deteriorate.

1. Pools/Spas Rehabilitation

Professional information on the condition of our 15 pools and spas is contained in a 2018 report by California Pools, an outside consultant. The main reason for procuring the report was to identify any immediate safety hazards that could result in an injury and subsequent liability on the part of the HOA. **The report confirmed that the expected lifespan of the pools/spas would normally be 15-20 years. Ours are now approaching 35+ years.** These comments were echoed by Ocean Springs, our current pool contractor. Members of the pools and finance committees inspected the pools personally and noted visible deterioration consistent with the comments received from the professionals. As another aspect of due diligence, the finance committee, with the help of members of the current and past boards and DRM, scoured the Silver Sands financial records for documentary evidence of the work done over the years. While records showed that some repairs to pools had been made, nothing reflecting major restoration work was found.

Many of the pools have deteriorated to the point that they are beginning to pose health and safety concerns as well as compliance issues with city and county codes. Non-compliance with health and safety codes could lead to the shutdown of individual pools as occurred with spa five last summer. It is hoped that a minimum of three pools per year will be done and that work may start by late summer 2021. The priority of the pool work will be based on the relative status of each pool regarding its health, safety and code compliance. Currently pools 10, 11, 12 and 5 are at the top of the list. Priorities will be reviewed periodically and adjusted as necessary.

a. Pools & Spa Replastering

This is a health and safety issue. Degradation causes chemical imbalance, exposed rebar and deterioration of underlying concrete leading to even greater problems and expense in the future.

Deterioration of plaster on spa five, which was shut down by the health department last summer, and needed to be completely renovated.



b. Skimmers

Each pool/spa has two to three skimmers. The skimmers need to be replaced and repositioned from the edge of each pool to prevent leaking under the deck.

c. Pool Ladders & Handrails

The ladders are too close to the edge of pool and are rusted at the base. Replacing and repositioning the ladders and handrails from the edge of the pool will provide alignment with current code. Ladders and handrails are now required to be attached to the rebar for electrical grounding.



d. Pool Lights

This is a safety issue. There is a need to replace and repair light fixtures and exposed wiring.

e. Depth Markers

This is a code and safety issue. Depth markers need to be on the deck surface as well as on the side wall of each pool.

f. Pool & Spa Tiles

This refers to the waterline trim and step tiles. Tiles on pool steps must be replaced when replastering.

2. Pool Decks

Cracks and failing sectional spacers allow water to seep under the deck causing unseen problems. This work needs to be tackled on a case-by-case basis. In some situations, parts of an otherwise sound deck may need to be removed for access to pool plumbing and electrical components. Some decks need major repairs, others less so. This work entails the removal and replacement of the Kool Deck surface.



3. Pool Fences

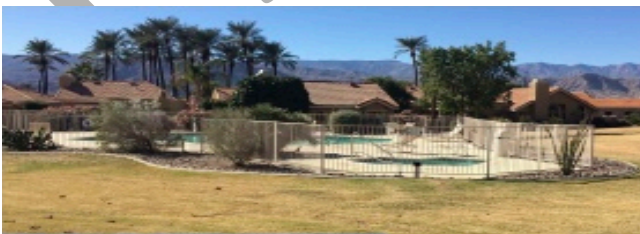


Many pool fences are badly degraded and rusted, which is a health and safety issue. Four options were considered: repair existing fences, replace fences with new wrought iron or galvanized steel, or replace with powder coated aluminum fences. Both wrought iron solutions would require costly periodic

maintenance as would the introduction of steel.

While the initial cost of aluminum fences is almost 50% higher, its 30-year warranty makes it the best choice since it eliminates the need for periodic maintenance. In fact, over the course of 30 years the total cost for the aluminum option is approximately \$250,00 less than iron or steel. The use of any kind of new fencing requires increasing the height of the fences from 48" to 60" to meet current health and building department requirements.

4. Pool Irrigation and Landscaping

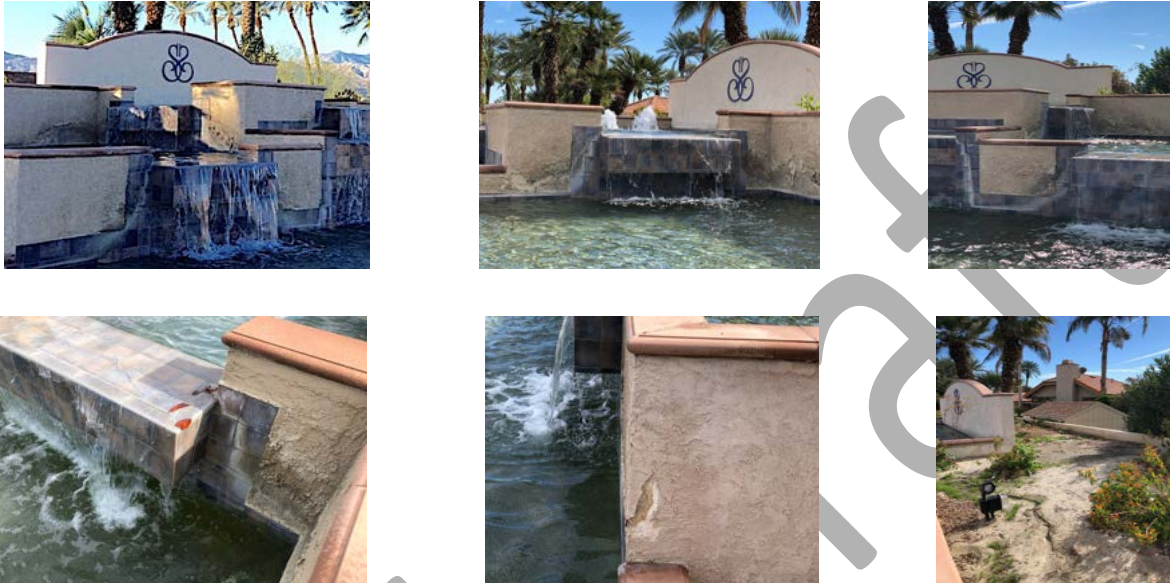


When the pools are renovated, including the addition of new 60 inch high fencing, the existing landscaping and irrigation will be disrupted. As part of the remedial process some changes will be introduced to

mitigate the visual impact of the higher fence and to replenish deficient landscaping. It is recognized that the amount required for each of the fifteen pool/landscape areas will vary with some requiring more than others based on current condition, inventory of plants, proximity to homes and other structures, etc.

Fountain & Entranceway

The last work on the fountain was in 2008 and it is now in poor condition and unsightly as a result of moisture coming into contact with plaster surfaces located near the waterfalls. Immediate action is recommended in order to prevent further decay and damage to the underlying support structure.



Five options were identified and discussed including conversion to a miniature botanical garden but ultimately restoration of the existing fountain was selected as being most likely to preserve value and meet homeowner expectations with respect to cost and aesthetics. The project will involve removing all tile and plaster, identifying and rectifying structural weakness, adding new decorative tile and underwater lighting and supplementing existing landscaping. This concept reinforces the Mediterranean theme of Silver Sands and preserves a part of our history.



The area outside the gate needs to be refreshed in order to improve safety and project a positive image of our community. Lighting is inadequate and landscaping is thin or missing and accent lighting largely consists of Christmas lights. Multiple faded notices appear on the walls and pillars. Improved lighting and landscape will make the driveway and gatehouse area safer and more welcoming.



More ambitious ideas for improving the gatehouse, reducing the amount of asphalt in the area and managing traffic will be considered when reserve projects related to these assets come up in the maintenance schedule.

Perimeter Wall



Parts of the perimeter wall require immediate attention. Some sections along Portola are leaning due to inadequate footings and need to be addressed. Along Verde, the rusted-out wrought iron components have been removed. Options for repair include replacing the iron or modifying the concrete block structure. Whichever solution is selected, it will restore our property boundary and preserve views over the golf course.



Clubhouse Exterior



The clubhouse deck and court walkways are in need of repair. Large areas have delaminated, which is unsightly and presents a safety hazard. A new concrete coating and color seal are planned. Other improvements to the clubhouse exterior are not contemplated as part of this project but may be developed later.

Community Overview



Silver Sands is a planned community located in the City of Palm Desert. It was developed in the early 1980s and consists of 256 homes and related common area on approximately 70 acres of land – an overall density of about 4 units per acre allows for lots of green space despite not being located on a golf course. The cross streets for the development are Country Club Drive on the north, Portola Avenue on the west and Silver Sands Parkway on the south west, and it is bounded on the east and south east sides primarily by the JW

Marriott golf course and the Desert Springs housing development. Desert Willow Golf Resort where Palm Desert residents play for reduced rates is across the street.

Silver Sands is a gated community with an attendant on duty at the front gate. Amenities include a clubhouse, lighted courts (seven for tennis and four for pickleball), a fitness center and 15 pools/spas. During the season between October and May staff professionals conduct the tennis and pickleball programs.

Silver Sands is a consumer of recycled water for its irrigation and has been actively involved in programs to reduce water usage for more than two decades. In the early 2000s, a program was initiated to convert all of the common garden beds to desert landscaping. In 2015 the community embarked on the development of a landscape master plan in consultation with a professional landscape architect. As funds become available the landscape recommendations are being implemented.

The architectural style for Silver Sands can best be described as modified California Spanish. Residential characteristics include a single floor, low pitched tile roof, stucco siding and stucco courtyard walls. The original all blue tile on the fountain was etched beyond repair and was replaced with the current muted blue brown combination in 2008. In 2012 the colors of the building structures throughout the community were changed from Navajo White with brown trim to a palette of desert colors. Community signage for the front and back entrances, the Silver Sands Parkway/Portola corner and the street monuments has been refurbished with the same style white and blue tiles used in the original construction.

Silver Sands Homeowners Association is a California nonprofit mutual benefit corporation created effective December 18, 1979, with the filing of the Articles of Incorporation and the subsequent adoption of the Declaration of Covenants, Conditions and Restrictions (CC&Rs) and Bylaws. An elected board of directors is in charge of managing the business affairs of the corporation and balancing the wants and needs of the community. Desert Resort Management has been contracted to assist the volunteer board with its responsibilities as well as to act as liaison between the board and individual owners.

Homeowner Communications

Homeowner participation is crucial to the successful implementation of the Vision 2025 Infrastructure Plan. The following steps have been taken to reach out to the membership primarily by electronic means. Printed materials have also been prepared for distribution to ensure all owners are contacted before the ballots go out. We look forward to your continued input and support.

Vision 2025 on the SSRC Website

A Vision 2025 section was added to the website as a repository for all relevant documents. The new Vision 2025 page is found on the top main menu under the HOA tab.

Homeowner Feedback via Town Hall Meetings

Homeowners were invited to participate in a series of virtual town hall meetings to discuss the proposed infrastructure plan. For those who were unable to attend, comments and questions were invited for submission via the feedback@ssrchoa.com email address for discussion at the town hall. Following the first town hall a Q&A was prepared and circulated to the members.

Homeowner Feedback via Email

Homeowner input was invited via the dedicated feedback email address throughout the process and was forwarded to the board of directors in its entirety. Comments and/or any responses were compiled and shared on a regular basis with the membership unless a request was received otherwise. Personal information of individuals was removed prior to publication.

Homeowner Feedback via Survey

An electronic homeowner survey was conducted to gauge community support of the proposed assessment and infrastructure plan. The survey produced 176 responses and an approval rate of approximately 80%. A second Q&A was prepared and circulated to the members with the results of the survey.

CONTACT INFORMATION

Email Address: feedback@ssrchoa.com

Mailing Address: Silver Sands Homeowners Association
c/o Desert Resort Management
42-635 Melanie Place, Ste. 103
Palm Desert, CA 92253