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2013 King's Deer Homeowners Association Annual Meeting Minutes

Directors Present: John Highhouse (President), Vern Kuykendall (Vice President, Neighborhood Watch Coordinator and NEPCO Representative), Allen Alchian (Secretary, Director for Water Resources, Covenant Enforcement Oversight Committee Chair), Penny Dyer (Common Area Maintenance and Assistant Treasurer), Rich Paul (ACC Chair)

Guests Present: Patricia Wasson (HOA Executive Director), Jack Scheuerman (HOA Attorney), Charlotte Christensen (Treasurer)

Note: The Annual Meeting was held at the King's Deer Golf Course Club House, November 6, 2013. This year's meeting was an "informational only" because the Board of Directors Election was conducted by mail prior to the Annual meeting so no voting was necessary. Approximately 60 members of the Association were present at this meeting.

Meeting brought to order at 7 PM by John Highhouse, HOA President

I. Introduction of the Board and Guests.

- A. Highhouse recognized all Board members and guests, and thanked the King's Deer Golf Course management for making their Troon Tavern and Restaurant available for a very pleasant setting for an annual membership meeting.

II. State of the HOA – John Highhouse

- A. Highhouse summarized the variety of projects that were accomplished during the past 12 months. He began by noting the HOA office is now located in the Golf Course Club House, the same facility in which the annual meeting is held.
- B. Highhouse then reviewed other initiatives during the year, including a restoration of some community trail sections, completion of a comprehensive water study, a new Fire Mitigation Policy created immediately after the Black Forest Fire in June, and continued watchful stewardship of the membership funds. He closed by highlighting the two new benches installed as a donation and Eagle Scout Project by King's Deer resident teenager, Quentin Marchetti.

III. Financial Report – Charlotte Christensen

- A. Christensen reviewed the overall income and expenses for the year and said the association will end this year with a net positive income. Administrative expenses are slightly under budget; Bad Debt expenses are considerably under what was expected because we have not had as many foreclosures as expected, and we were able to collect on some past due accounts. Common Area Maintenance is projected to end the year only slightly above the amount budgeted. Overall we are doing pretty well and the amount left over will be allocated to the Reserves.
- B. Referring at the Balance Sheet, Christensen noted we have a large cash balance but also noted we have \$46,000 in Compliance Fee Deposits which are refundable to members once their projects are completed. As of the end of September our Reserve Fund is \$209,304, the Operating Fund is \$56,953 and the total Equity is \$266,257.
- C. Christensen then presented a graph showing the steady growth of the Reserve fund from 2006 to 2012. A slight drop for the current year was for funding of the Water Study.

IV. Architectural Control Committee Report. – Rich Paul

- A. Paul reported that new construction project applications have increased this year over the past five years. He also reported the county is now revisiting the idea of requiring fire suppression systems in residences, and a decision is expected sometime in December.

IV. Common Area Maintenance – Allen Alchian

- A. With Penny Dyer absent from this meeting, Alchian presented a short review of the common area activities this year. He began by explaining a major challenge confronted us at the start of the maintenance period in June when our long-time maintenance contractor, Goodman & Sons ended their work in this area because Al Goodman moved southeast. Dyer had to work very hard to rebuild a team of maintainers for all of the various common area components.
- B. This year the HOA engaged in restoring about one-seventh of the trail system. This was not just the annual scraping and filling; more than a mile of trail, in the steepest sections was completely rebuilt to reestablish grades that would shed water from the trail rather than collect water on the trail. This will continue again next year with some additional culvert work done to the area rebuilt this year as we evaluate the impact of spring rains in 2014. Alchian showed a map of the trail system that indicated the areas rebuilt this year.

V. NEPCO and Facebook– Vern Kuykendall

- A. NEPCO. Kuykendall discussed the North El Paso County Coalition of Community Organizations which is an association of 30 property owner associations in this area. King's Deer is a member and that entitles all King's Deer property owners to attend the NEPCO meetings that are conducted every two months.
- B. Kuykendall said we are looking for experienced Facebook users to help the HOA maximize the effectiveness of this medium.

VI. Neighborhood Watch—Tom Haddan

- A. Haddan reviewed the Neighborhood Watch program and displayed a map that showed the six blocks that still need a volunteer to serve as Neighborhood Watch Captain. He explained this duty does not require a significant time commitment because it is primarily for relaying information received by email to the members of the Block. He asked that anyone interested in volunteering to contact him.

VIII. Covenant Enforcement Oversight Committee – Allen Alchian

- A. Alchian began by reviewing and emphasizing the purpose of the CEOC is not to identify violations within the community, but rather to review and oversee the enforcement process—to ensure enforcement is uniformly applied, standards reasonably applied, and processes accurately followed. He then presented a tabular summary of the types of violations cited this year in King's Deer during January through September, and explained that this probably represented 90 percent of the total for the year since most have historically occurred in spring and summer.

XI. Director Elections – Allen Alchian

- A. As in previous years, the director election was by mail ballot only. Owners of at least 160 properties had cast ballots in the election to establish that a quorum of the membership (20 percent) participated in the election. With owners of 213 lots returning ballots, the election results were declared official. Three candidates were on the ballot—Penny Dyer, Jason Aguilar and David Compton—running for three vacant positions. Ballots were counted by HOA volunteers Tony Liston and Jim Groesbeck. All candidates would be elected if they received at least one vote each, so two randomly selected ballots were opened to establish that each candidate received at least one vote. The remaining ballots were not counted; they will remain secured in the HOA archives for one year in accordance with Colorado law in the event some member of the Association wishes to challenge the outcome.

X. Water Report – Allen Alchian

- A. Alchian provided a summary overview of the annual water meter reading exercise King's Deer engages in each year. This year the reporting rate has been better by the end of October than in previous years. Also, the amount of water used, per well, is significantly lower than last year. Alchian emphasized that this annual meter reporting task is done solely to comply with the

obligations of each well permit, which requires recording the annual amount of water drawn from each well, and then dumping (aka “augmenting”) a small percentage of that water quantity into Monument Creek to satisfy those who have more senior water rights downstream from King’s Deer. Overall, the King’s Deer water supply in the Dawson aquifer is robust and according to recent evidence available to the Colorado Division of Water Resources Water Commissioner in Colorado Springs, the aquifer is holding up better than anticipated.

- B. Alchian gave a summary of the 2012 Water Study results that was performed in the first half of 2013. The purpose of the study was to evaluate the long term prospect of King’s Deer HOA meeting its water augmentation obligations. The study confirmed that King’s Deer has all then anticipated and required water rights for performing the annual water augmentation. King’s Deer will have to increase its annual water augmentation beginning in 2027. Presently the HOA does not have in place the means to meet that obligation, but the study provided options for complying. The Board is reviewing those options and has recently entered into preliminary discussions with Woodmoor Water and Sanitation District to determine if that is a realistic alternative to both the short term and long term augmentation obligations. More on this will be provided to the membership in 2014 as the prospect of an Interagency Service Agreement is assessed.
- C. The Palmer Divide Water Company had been planning to sell their excess water rights to water in the Dawson Aquifer to some King’s Deer property owners. To sell those rights so that the buyers could pump that water from their individual wells, the sale had to be accompanied by a Water Court approved water augmentation plan. This year the Palmer Divide Water Company learned that the process by which they were proposing to the Water Court to accomplish the required annual water augmentation was not satisfactory. Without a viable water augmentation plan, the sale of water rights is impracticable. Consequently, in September the Palmer Divide Water Company notified the King’s Deer Board that they terminated their efforts to sell additional water rights. However, they left the door open to the possibility that they might revive the idea of selling water rights if and when they can find a satisfactory and economical water augmentation source.

XI. Open Discussion

- A. A member asked how the current level of the Reserve account compare to the amount recommended by the most recent reserve study? The amount currently retained in the King’s Deer Reserve account is above the amount recommended by the reserve study by a comfortable margin.
- B. In regards to the lack of enough volunteers to fill all the positions of Neighborhood Watch Block Captains, could a person volunteer to be a Block Captain for more than one block? Yes, and we do have Block Captains who fulfill the role for two blocks. There is essentially no additional work for the Block Captain because the task is primarily disseminating information by email; so instead of sending emails to perhaps 10 neighbors, the same email is addressed to 20 neighbors.
- C. When a new property owner assumes ownership of a King’s Deer property, is there a way the new owner is isolated from possible excessive water use by the previous property owner? The HOA contacts each new owner within a couple of weeks of taking ownership of a property to provide information about the HOA. One of the recommendations to the new owner is to have the office manager stop by the house and read the water meter within 30 days of occupancy. If the owner takes advantage of this opportunity, this reading provides a record of the the water drawn by the previous owner which can be useful if there is a problem with excess water draw from the well during the year the property changed owners.
- D. Concerns were expressed about the degrading pavement on King’s Deer streets. The El Paso County Department of Transportation is responsible for maintaining the roads in King’s Deer because these are public roads. The HOA assessments do not fund any of the public road maintenance. The El Paso County Public Service Department encourages the community to

communicate all concerns about road requirements to them so they can address these issues as their budget will allow. They can be reached by calling 719 520-6460. There is also a link on the King's Deer web site, on the Useful Links page, to the El Paso County Department of Transportation web site where comments and concerns about road conditions and safety issues may be passed directly to them. King's Deer HOA also has a representative, Larry Osgood, on the NEPCO Transportation Committee; he can relay the concerns to the Public Services Department as well, but it is best for each person who has a concern to personally make contact themselves so more voices are heard.

- E. A resident asked if there is anything that can be done about congestion that occurs around the intersection of Archers and King's Deer Point when parents arrive to pick up their children each afternoon. The Board understands that congestion occurs around all of the schools in the district during drop off and pickup times. The schools have pick-up procedures for parents arriving to get their children which will reduce the congestion if the parents follow those procedures. An open discussion of community members suggested several alternatives and possible courses of action for the resident to consider.

Annual Meeting adjourned at 8:37 PM.

Minutes approved by the King's Deer Board of Directors on December 4, 2013.

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John Highhouse, President

Allen Alchian, Secretary