



Agenda

- **Introductions**
- **Director and Committee Reports**
- **Election Results**
- **Water Presentation**
- **Open Discussion**
- **Adjournment**



(Photos by King's Deer residents)

Introductions

Jack Scheuerman (King's Deer attorney)

Charlotte Christensen (HOA Treasurer)

Sharon Kuykendall (King's Deer Neighborhood Watch Coordinator)

Pat Wasson (King's Deer Executive Director)

Board of Directors

John Highhouse (President)

Rich Paul (Vice President, Architectural Control Committee)

Allen Alchian (Secretary, Water)

Penny Dyer (Assistant Treasurer, Common Area Maintenance)

Dixie Schull (Covenant Enforcement Oversight Committee, Neighborhood Watch)

Lewis Sydenstricker (NEPCO Representative)



Annual Meeting Handouts

- Agenda
- 2012 Budget with Account Descriptions



Director and Committee Reports

- State of the HOA (Highhouse)
- Treasurer's Report (Christensen)
- Common Area Maintenance (Dyer)
- Reserve Study (Alchian)
- Covenant Enforcement (Schull)
- Architectural Control Committee (Paul)
- Neighborhood Watch (Kuykendall)
- Water Report (Alchian)



State of the HOA

John Highhouse

President

King's Deer Homeowners Association



State of the HOA



Trail Signage

Street Lights

Trail Maintenance

Culverts



State of the HOA



Playground Equipment

Pond Fountain

Stop Signs

Community Events Signs



State of the HOA



Reserve Study

Financial Review

Water



State of the HOA

- Educate and encourage property owners to bring water consumption within limits imposed by the State.
- Work with homeowners in the continued fight against MPB through early inspection, removal and cleanup efforts.
- Maintain a balanced approach with regards to HOA funds, spending as necessary on current needs, while building reserves for future needs.
- Continue our multiyear plan for renovating and restoring HOA owned assets.



Financial Report

Penny Dyer

Assistant Treasurer



Financial Report

Budget Vs. Actual (Income)

INCOME	2011 Budget	As of 9/30/2011	Projected 12/31/2011	Variance Over/(Under)	2012 Budget
Annual Assessment	159,300	119,475	159,300	-	159,300
Donated Services*	14,000	6,875	14,000	-	14,000
Other	10,400	16,667	19,273	8,873	10,400
	\$183,700	\$143,017	\$192,573	\$6,873	\$183,700
*Donated Services					
Accounting Oversight	4,100	3,200	4,100	-	4,100
Annual Water Report	5,000	-	5,000	-	5,000
Project Monitoring	2,000	1,500	2,000	-	2,000
Website Maint.	2,900	2,175	2,900	-	2,900
Total Donated Svs	\$14,000	\$6,875	\$14,000	-	\$14,000



Financial Report

Budget Vs. Actual (Expenses)

EXPENSES	2011 Budget	As of 9/30/2011	Projected 12/31/2011	Variance Over/(Under)	2012 Budget
Administration	74,060	55,063	73,944	(116)	74,590
Bad Debts	10,000	4,498	4,498	(5,502)	10,000
Maintenance	45,750	39,882	45,750	-	48,864
Professional Fees	22,500	11,581	20,322	(2,178)	16,858
Other Expenses	21,400	15,241	20,603	(797)	20,632
Total Expenses	\$173,710	\$126,265	\$165,117	(\$8,593)	\$170,944
Reserve Allocations	9,990	8,173	27,456	17,466	12,756
Total Expenses and Reserve Allocations	\$183,700	\$134,438	\$192,573	\$8,873	\$183,700



Financial Report

Budget Vs. Actual (Net Income)


	2011 Budget	As of 9/30/2011	Projected 12/31/2011	Variance Over/(Under)	2012 Budget
Total Income	\$183,700	\$143,017	\$192,573	\$8,873	\$183,700
Total Expenses and Reserve Allocations	\$183,700	\$134,438	\$192,573	\$8,873	\$183,700
Current Year Net Income/(Loss)	-	8,579	0	0	-



Financial Report

Balance Sheet (as of September 30, 2011)


Assets	Total	Liabilities & Equity	Total
Total Bank Accounts	268,034	Liabilities	
Total Accounts Receivable	3,407	Accrued Expenses	33,806
Total Other Assets	787	Unearned Assessments	39,825
Total Assets	<u><u>\$ 272,228</u></u>	Total Liabilities	<u>\$ 73,631</u>
		Equity	
		Reserve Fund	165,136
		Operating Fund	33,461
		Total Equity	<u><u>\$ 198,597</u></u>
		Total Liability & Equity	<u>\$ 272,228</u>



Financial Report

Statement of Changes in Fund Balances (Period ending September 30, 2011)

	Reserve Fund	Operating Fund	Total Fund Balance
Balance January 1, 2011	\$ 112,340	\$ 84,882	\$ 197,222
Revenues in Excess of Expenses		16,752	16,752
Transfer from Operating Fund to Reserve Fund	60,000	(60,000)	-
Allocation of 2011 assessments to Reserve Fund	8,173	(8,173)	-
Reserve expenditures	(15,377)		(15,377)
Balance September 30, 2011	\$ 465,136	\$ 33,464	\$ 498,600



Bi-Annual Financial Review

- Financial Review instead of Audit
 - Less expensive than audit
 - Monthly oversight by accountant volunteer
- Validated the financial records
- No discrepancies noted
 - If discrepancies had been found, the Board was prepared to commission an audit
- Next independent financial review: 2013
 - Last full audit was 2009; records clean.



Common Area Maintenance

Penny Dyer

Director of Common Areas



Common Area Maintenance 2011 Highlights

- ✓ Pond infrastructure
- ✓ Playground repainted
- ✓ Trail restoration
- ✓ Trail signage improved
- ✓ Community entry sign



Pond 2010 Algae Mess



Aeration Equipment Installed



Oxygen diffuser



Diver installs equipment



Oxygen Bubbler and Fountain



Playground Painted



Trail Reconstruction

Royal Troon Dr at County Line Road



Hazardous slope



Rebuild trail with retaining wall



Re-grade to control drainage



Signage Restoration

Restore and Standardize



Signage Restoration

Restore and Standardize



Community Sign



2011 Reserve Study

Allen Alchian

Secretary

- Purpose
- 2005 Reserve Study
- 2011 Reserve Study
- Differences of two studies
- Situation
- Conclusion



Reserve Study

Purpose: Estimate future expenses to restore/replace common area assets

Examples: Trails, playground, street lights, pond, structures,
entry monuments, landscaping, signage, pavement.

Process

Identify all common area assets

Evaluate remaining useful life

Estimate replacement cost

Recommend amount to put in put aside each year

Reserve Fund

Accumulate funds for future expenses

Distribute replacement/restoration cost over asset lifetime



Reserve Study

2005 Reserve Study

First King's Deer Reserve Study

Dec 2005 Reserve Fund: \$9.0 K

Recommend Reserve Fund increase to \$97.5 K by Dec 2010

Dec 2010 Reserve Fund Balance: \$112.3 K

\$28.5 K per year average contribution over 5 years

Budgetted 2011 Reserve Fund contribution: \$10.8 K

Assets relatively new in 2005

Additional assets after 2005

2005 Reserve Study out of date



Reserve Study

2011 Reserve Study

Four major common asset categories (current value: \$621 K)

- Roads and Trails
- Pond and Gazebo
- Monuments and Signage
- Playground and Sports field

2011 Reserve Fund= \$112.3 + 10.8 = \$123.1 K (Dec 2011)

Recommend future Reserve Fund contributions: \$30.5 K per year



Reserve Study

Differences of the Two Studies

2011 Study Recommendation: \$ 30.5 K per year

2011 Budgeted Contribution: \$ 10.8 K/yr

Shortfall: \$ 19.7 K/yr

Major Factors

	<u>2005</u>	<u>2011</u>	<u>Increase</u>
Trail	\$ 2.3 K/yr ¹	\$ 14.4 K/yr ²	\$ 12.1 K/yr
Pond	<u>\$ 0.5 K/yr³</u>	<u>\$ 6.4 K/yr⁴</u>	<u>\$ 5.9 K/yr</u>
Total:	\$ 2.8 K/yr	\$ 20.8 K/yr	\$ 18.0 K/yr

1. \$11.3 K every five years (restore surface)
2. \$28 K every two years (restore surface)
3. \$6.3 K every 12 years (dredge)
4. \$15.0 K every 10 years (repair lining) and \$175K every 40 years (replace lining)



Reserve Study

Situation

Spend Reserve Fund per 2011 Study w/ \$10.8 K annual contribution

Deplete Reserve Fund by 2020

Transfer \$60 K to Reserve Fund from Retained Earnings.

Dec 2011 Reserve Fund Balance over \$180 K

Reserve Fund solvent until at least 2024 with projected spending.

History: \$28.5 K per year possible.

Dependent on income beyond annual assessments

\$100 per property sale (real estate sales)

ACC fees (volunteers)

Active HOA enforcement program (Active HOA office and volunteers)

No inflation allowance in Reserve Study.



Reserve Study

Conclusion

\$300 annual assessment allows about \$11 K to Reserve Fund max.

New Reserve Study Recommends \$ 30.5 K per year

Budget Annual Contribution: \$ 11.0 K per year

Annual Contribution Shortfall: \$ 19.5 K per year

Additional revenue sources unreliable (fees, fines, volunteers)

Increase annual assessments (*not currently viable*)

Annual assessments cannot be raised above \$300 (Covenant restriction)

Reduce expenditure on asset replacement/restoration

New Reserve Study in 2016 or 2017

Future boards will have to address the potential funding shortfall



Covenant Enforcement

Dixie Schull

Director of Covenant Enforcement

Covenant Enforcement Oversight Committee Members:

- Dixie Schull (chair)
- Al Walter
- Allen Alchian
- Grace Highhouse
- Rich Paul



Covenant Enforcement

Type of Violation	Number	Type of Violation	Number
Fence (snow)	10	Recreational Vehicle	9
Parking	22	Dogs	7
Play Equipment	2	Mowing	116
Landscape	2	Dead Trees	58
Dumpster / Trash Cans	11	Utility Trailers	13
Late Water Report	8		



Covenant Enforcement

Initiatives

- Standardized procedures
- Regular oversight of processes
- Post minutes on web site
- CEOC provides oversight and recommendations
- BoD determines enforcement

CEOC=Covenant Enforcement Oversight Committee



Architectural Control Committee

Rich Paul

Director of ACC

Architectural Control Committee Members:

- | | |
|---------------------|---------------------|
| • Rich Paul (chair) | • Allen Alchian |
| • Dennis Delhousay | • George Panoncillo |
| • John Highhouse | • Vern Kuykendall |
| • Tom Haddan | • John Witsken |



ACC: Notable Trends and Changes

- ☞ Construction has increased in 2011 with more new home applications being submitted than the previous 3 years combined.
- ☞ Miscellaneous project applications have remained constant over the last 2 years.
- ☞ Snow fence applications sharply increased the first part of the year. Increase can be attributed to the high wind snow storms in November, December and January.
- ☞ There has been no update on the issue of the mandatory fire suppression system requirement that began the latter part of 2010 by the Regional Building and District Fire Chief.
- ☞ Planning a Design Standard revision in 2012



Overview of Project Applications 2010 VS. 2011



2010 Project Applications

- New Home Construction – 4
- Detached Garages – 3
- Landscaping - 18

2011 Project Applications

- New Home Construction – 6
- Detached Garages – 1
- Landscaping - 18



Neighborhood Watch Program

Sharon Kuykendall

King's Deer Neighborhood Watch Coordinator

(719) 559-0628

email: nw@kingsdeer.org

www.kingsdeer.org/neighborhoodwatch.php

November 2011



Neighborhood Watch (NW)

- **What is Neighborhood Watch?** – Program to make residents less vulnerable to crime and make Kings Deer safer
- **What it is not?** – Emergency, crisis or crime response
 - You must call 911 or non-emergency numbers (See web site)
 - No alerts for lost pets, or response to home alarms, or
- **Program Status**
 - Need Volunteer Block Captains for remaining unmanned Blocks
 - Need contact info for residents for NW communications
 - If not receiving alerts, see me at NW table
- **Block Captain Responsibilities**
 - Maintain coordination data for the neighborhood block
 - Share info and alerts from EPSO and KD NW with neighbors



Neighborhood Watch (NW)

Plans for 2012

- Fill remaining Neighborhood Block Captain positions
- Enhance neighborhood communications and information sharing
- Expand web site for NW
- Hold Block Captain meeting(s)



Please stop at our table to volunteer as Block Captain and/or to provide contact data.



Election of Directors

Allen Alchian

Secretary

Nomination Committee

- Dixie Schull (chair)
- Allen Alchian

Talley Committee Members

- Dixie Schull (chair)
- Allen Alchian
- Dennis Delhousay
- Nancee Delhousay



Election of Directors Results

- **Directors serve two-year term**
 - **Votes cast: 214** (quorum = 160)
 - **Three positions filled by election**
 - **Three candidates; all elected**
 - Penny Dyer
 - Vern Kuykendall
 - Rich Paul
- **New board assumes duty November 9, 2011**

*Three continuing directors
(one year left)*
John Highhouse
Dixie Schull
Allen Alchian

One vacant director position term ends November 2012.
Position may be filled by appointment by
the Board of Directors per the bylaws.



Ballots are retained 90 days, then destroyed if no challenge.

Water Report



Allen Alchian

Secretary and Director for Water Resources (“water czar”)




Water Report

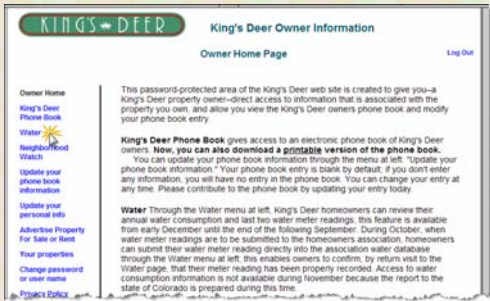
- ◆ Well Permit and Water Augmentation Plan
 - ◆ Limits amount of water to be drawn annually
 - ◆ Defines proper use for the well water
 - ◆ “Ordinary household purposes”
 - ◆ Irrigation limited to 3000 SF
 - ◆ Report meter reading annually
- ◆ 387 Wells
 - ◆ 278 under their annual limit
 - ◆ 92 exceeded the annual limit
 - ◆ 17 not reported or invalid readings
- ◆ 86% Average draw per well
- ◆ Palmer Divide Water Company
 - ◆ Working on a water augmentation plan

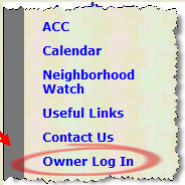




Water Report on Web Site

www.kingsdeer.org > Owner Log In









Water Report on Web Site

October

Water > Enter Meter Reading

The screenshot shows the 'King's Deer Water Consumption' website. At the top, there is a navigation bar with 'KING'S DEER' on the left and 'King's Deer Water Consumption' on the right. Below this is a sub-header 'Overview' with a 'Log Out' link. A main navigation menu includes 'Owner Home', 'King's Deer Phone Book', 'Water', 'Neighborhood Watch', 'Update your phone book information', 'Update your personal info', 'Advertise Property For Sale or Rent', 'Your properties', 'Change password or user name', and 'Privacy Policy'. The main content area has three tabs: 'Overview', 'Enter Meter Reading', and 'Water Meter Help'. The 'Overview' tab is active, displaying text about water restrictions and meter readings, accompanied by a small image of a person in a field. A 'KING'S DEER' logo with a deer silhouette is in the bottom left corner.

Water Report on Web Site

November

Water area is inactive to resolve new meter reading data

This screenshot is similar to the October one, but the 'Water Meter Help' link in the main navigation menu is circled in red, indicating it is inactive. The rest of the page content, including the 'Overview' text and the 'KING'S DEER' logo, remains the same.

Water Report on Web Site

December-September

KING'S DEER King's Deer Water Consumption

Main Menu Log Out

Review Annual Water Consumption

Overview **Review Water Use** Water Meter Help

PURPOSE: This page allows the owner to review the previous year's water consumption for each King's Deer well owned. Consumption is displayed in gallons, in acre-feet, and as a percent of the annual maximum allowed consumption.

Note: Annual water consumption information is not available during October and November. During October this page is replaced with a form to allow home owners to report their water meter reading. In November all meter readings are compiled into an annual report which is sent to the Colorado Division of Water Resources; after that report is submitted and accepted (usually by December 1) you will be able to review, here, your latest water consumption information.

© 19415 Kershaw Ct. (Lot 09 Classic Filing 4)

Display consumption for selected property

Water Year 2011 consumption at
19415 Kershaw Ct. (Lot 09 Classic Filing 4)

2011 meter reading: 0640130
2010 meter reading: 0562000
Consumption: 88,130 gallons = 0.270 acre-feet
Maximum allowed annual consumption: 123,824 gallons = 0.38 acre-feet
Total consumption is 71.1 percent of the maximum allowed.



Open Discussion

