



2012 King's Deer Homeowners Association Annual Meeting Minutes November 13, 2012

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

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

Note: *The Annual Meeting was held at the Prairie Winds Elementary School November 13, 2012. 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 35 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.

Highhouse recognized all Board members and guests. He then gave a special remembrance for Sharon Kuykendall, the King's Deer Neighborhood Watch Coordinator who recently passed away. Sharon had brought an energy to the program that was previously lacking, and built the program up to an active and successful program. She will be missed by all.

II. State of the HOA – John Highhouse

Highhouse summarized the variety of projects that were accomplished during the past 12 months. These included maintenance of the entry monuments, and streetlight pole refinishing. He said the HOA is striving to improve communications to the membership through our newsletter, website, Neighborhood Watch, and a new Facebook page. He mentioned that the Design Standards were updated this year. He thanked the volunteers who serve on various committees.

III. Financial Report – Charlotte Christensen

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. Looking at the Balance Sheet, Christensen noted we have a large cash balance but also noted we have about \$40,500 in Compliance Fee Deposits which are refundable to members once their projects are completed. As of the end of September our Reserve Fund is about \$194,000, the Operating Fund is about \$31,000 and the total fund balance is \$225,772.

IV. Common Area Maintenance – Penny Dyer

Dyer presented a series of photographs showing the many maintenance projects accomplished throughout the HOA this year. They included painting the highway 105 wall; power-coating the entry signs; refinishing the foot bridges for the trail network; work around the pond including painting the gazebo, trimming trees, and removing cattails; installation of signs to discourage parking along Roller Coaster Road in the vicinity of the sports field; and resurfacing the access road and parking lot at the sports field.

V. Architectural Control Committee Report. – Rich Paul

Paul reported that new construction project applications have increased this year over the past four years. He reported the county has ended its efforts to require fire suppression systems in residences. The Design Standards were updated this year, mostly with changes that clarify some confusing parts of the document and inclusion of the text of past amendments to the previous version of the Design Standards. However, a change in the Design Standard now does not allow white fences; the few that exist will not have to be changed.

VI. Covenant Enforcement Oversight Committee (CEOC) Report – Allen Alchian.

Alchian began with a review of the role of the CEOC, emphasizing that the committee oversees the covenant enforcement process to ensure uniform and equitable enforcement; it is not in the business of identifying violations. He then summarize the types and quantity of covenant violations that have been occurring in King's Deer during this year. Alchian mentioned that the CEOC meets monthly for only about an hour, and volunteers for the committee are sought to help ensure the covenant enforcement process is accomplished fairly and properly.

VII. Neighborhood Watch Report, NEPCO and Facebook– Vern Kuykendall

Kuykendall summarized the Neighborhood Watch program. It has been active for about three years, now, and we still need volunteers to fill some block captain positions. Kuykendall described the program and its purpose. He itemized the program goal for 2013 and mentioned that the new King's Deer Facebook page has potential to help strengthen the Neighborhood Watch activities and capabilities. Kuykendall then discussed the North El Paso County Coalition of Community Organizations (NEPCO) 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. He described the topics of several past meetings. NEPCO is considering creating a committee on transportation issues, so anyone who has an interest in improving the transportation network of this area is encouraged to consider participating through this new committee. King's Deer is new in the world of Facebook. We have a Facebook presence. Kuykendall said we are looking for experienced Facebook users to help the HOA maximize the effectiveness of this medium.

VIII. Water Report – Allen Alchian

Alchian began the Water Report with a short review of the results of the October 2012 reporting of water meter readings. He then explained the water augmentation requirements under the '93 Water Augmentation Plan which affects about 20 percent of King's Deer, and then contrasted those requirements against the requirements of the '94 Water Augmentation Plan. He emphasized that while King's Deer has been doing water augmentation for properties subject to the '93 Plan, the HOA has not had to do any water augmentation for the 80 percent of King's Deer properties subject to the '94 Plan. This will change in 15 years when King's Deer will have to start doing annual water augmentation for these additional properties. Unfortunately, King's Deer HOA does not have a capability in place right now to accomplish that future obligation. Therefore the Board of Directors is going to commission a Water Augmentation Study by a professional water engineering firm to provide guidance to the HOA on the best way forward to ensure we are well prepared to meet the legal obligation of water augmentation when it required in 2027. Alchian then presented the latest update on the long awaited prospect of buying additional water rights from Palmer Divide Water Company. He announced that PDWC has abandoned their effort to sell additional water to any of the 413 properties subject to the '94 Water Augmentation Plan, but they are proceeding with their efforts to sell additional water to up to 50 property owners that are under the '93 Water Augmentation Plan. A member of the audience asked if the entire HOA would be responsible for costs associated with providing water augmentation for the limited number of members who would be able to buy the additional water rights. Alchian responded that the Board of Directors has taken a firm stand on this detail of the proposed augmentation plan, insisting that if the HOA does the

augmentation for owners who buy additional water rights those owners are to be held financially accountable for the full cost of the additional augmentation. Alchian anticipates that sale may commence sometime in 2013.

IX. Director Elections – Allen Alchian

This year, as for the previous few years, the election was by mail ballot only. At least 160 votes had to be cast to establish that a quorum of the membership participated in the election. The HOA received more than that minimum requirement so the election results are official. Two candidates were on the ballot—Allen Alchian and John Highhouse—running for four vacant positions. Since all candidates would be elected if they received at least one vote each, only enough envelopes containing ballots were opened to verify at least one vote was cast for each candidate. The remaining ballots have not been counted, but will remain secured in the HOA archives for one year in the event an enterprising member of the HOA wishes to count the ballots cast.

X. Open Discussion

A member expressed their dissatisfaction with the newly installed no parking signs along Roller Coaster Road, claiming they were excessive, ineffective, and an eyesore. A couple other members disagreed. The Board thanked all members for their input and noted the differing opinions. Another member inquired about pine beetle-infested trees and asked about remediation efforts. Highhouse replied that a tree with pine beetle has to be removed; once infested the tree will die, and it needs to be removed from the area before the following spring when the beetles will emerge from the tree to attack other trees in the vicinity. Larry Osgood gave an impromptu report on the transportation situation around the King's Deer area, specifically on County Line Road and Highway 105. He also reported that he talked to former county commissioner Wayne Williams about the Douglas County sheriff deputies enforcing speed limits along County Line Road even though the road is in El Paso County; Williams was pleased that Douglas County was giving their resources to enforce traffic laws along that road because El Paso County does not have enough resources to do effective enforcement.

Meeting adjourned at 8:45 PM.

Minutes approved by King's Deer Board of Directors on November 19, 2012.

/ signed /

John Highhouse, President

/ signed /

Allen Alchian, Secretary

Attachments

1. Meeting Agenda
2. 2012 Budget
3. Account Descriptions
4. Slide Presentation