



**King's Deer Annual Meeting Minutes  
November 7, 2023  
(7:00 PM King's Deer Golf Clubhouse)**

**Meeting brought to order at 7:00PM**

**Agenda: Introductions, Election Results, Director and Committee Reports, Board Proposal – Budget Shortfall, Open Discussion, and Adjournment**

**A. Introductions:** The HOA Board members were introduced by Steve Shurgot, President of the HOA Board. They are as follows: Steve Shurgot (President), Eric Paulik (Vice-President), Greg Wolff (Secretary/Roads/NEPCO), Tom Anderson (Treasurer/ACC Liaison), Jan Sievert (social media Director), Ken Harris (Common Area Maintenance), and Todd Brummond. Shurgot also introduced John Highhouse (Executive Director), Lorrie Kresge (Deputy for Water), and HOA Attorney Aaron Goodlock.

**B. Election Results:** The Board of Directors election results were presented by Steve Shurgot. There were 186 ballots received from King's Deer property owners. 160 were required for a quorum, which was achieved. Next the newly elected Board members for the 2023/24 Board were recognized. They are Josh Klenda, Kevin Pratt, and Steve Shurgot. The three returning Directors for the 2023/24 Board are Eric Paulik, Greg Wolff, Tom Anderson, and Ken Harris.

**C. Director and Committee Reports:**

1 The Architectural Control Committee (ACC) slides were presented by John Highhouse. Highhouse introduced the current Committee members, Allen Alchian, Heather Cashman, Dan Garrison, and Dan Snelling. Active projects include 5 new home constructions and 7 garages/additions. We are seeing a reduction in the number of new construction projects, due to rising interest rates and the near buildout of vacant lots in King's Deer. There remain only 24 vacant lots in the development. Home remodels are still doing well. The ACC is seeking volunteers from the community to join their team. No experience necessary, however regular participation is required.

2 Covenant Enforcement was presented by John Highhouse. Highhouse provided a brief overview of covenant enforcement stressing that the HOA strives to achieve a balanced approach. While the Board has a fiduciary duty to enforce the community covenants, business judgement is used to determine if an alleged violation is worth pursuing. The total number of violations for the 9-month period ending 30 Sep 2023 was 177. This number is very much in line with the number of citations last year. Dead trees, mowing, trash cans stored outside, and RV/trailer parking were again the predominant violation areas. This year, violations for late assessments payments were up significantly from the previous year.

3 The 2023 water report was presented by Lorrie Kresge. In 2023, approximately 6.5% of wells within King's Deer exceeded their water allocation. Kresge stated that this was down considerably the previous year and is mostly attributed to the large amount of precipitation during the spring and summer. The average allotment used per home was 73% for both Highlands, 72% for Classic and 53% for those that purchased water under the new decree. Kresge offered several ways residents can reduce their water usage. Kresge concluded the presentation stating that Palmer Divide Water Company (PDWC) (aka the developers) still have shares of additional water available for sale to Kings Deer owners. Water Decree 2019CW3057 allows to sell water

shares to bring annual limits up to .75 acre-feet or 244,389 gallons. Water shares sold so far total at least 62 of 75 Classic shares and 140 of 200 Highland shares. The current offer price by PDWC is \$8500 per share.

4 A presentation on the roads in Kings Deer was presented by Gregg Wolff. In November Of 2022, Wolff met with County Commissioner Holly Williams at a NEPCO meeting and she agreed to meet and drive the roads in the development. After several cancellations due to weather, Williams and EPC Chief Engineer Josh Palmer met with Wolff and Tom Anderson in March of 2023. After driving the roads, they ranked the most deteriorated roads, and prioritized which areas required the most immediate attention. On May 1, 2023, construction began on the entire length of Kershaw Ct. The project required much more extensive work than anticipated, since the entire road base needed to be replaced. The project completed by mid-June. The HOA was pleased to learn that Royal Troon would also be repaved this year. The crews conducted boring tests and concluded the same level of work would need to be done to Royal Troon as was done on Kershaw. A message board was placed at the end of Royal Troon with the project start date of November 9, 2023.

5 Common Area Maintenance was presented by Ken Harris who summarized repairs and improvements made to the development's common areas. They include repeated repairs to the trail system due to the heavy persistent rain this season. Emergency repairs were done to a bridge on the Archers trail that had a washout at the base. The sports field and playground area remained in good shape despite the severe weather. Maintenance to the pond included cleaning and restoring aerator functionality, as well as replacing the fan and compressor. The HOA recently started a monument refresh project. After several months of identifying the scope of work and obtaining proposals, the board selected a contractor for the project. The design features include xeriscape with low maintenance plantings. Work is scheduled to complete before the year end.

6 The Financial Report was presented by Tom Anderson. Anderson explained that the HOA funds are separated into the operating budget and reserves for major renovations. The HOA is currently in sound financial position with sufficient reserves according to the 2022 Association Reserves assessment. However, after all operating budget bills are paid, we anticipate the HOA depositing approximately only \$1,412 into the standard reserve fund. Currently the unallocated Reserve Fund has \$330,447. There is a separate water reserves fund with \$159,459, funded from the water initiative, which was set up to help offset future water augmentation requirements of the HOA. The 2024 budget as approved by the Board, will be \$196,764. This is slightly higher due to the increase in interest income, but in line with recent years. The Balance Sheet as of September 30, 2023 shows the HOA in a strong financial position, with total assets of \$668,712 versus liabilities at \$166,137. Anderson then presented revenue and expense projections that indicated that expenses will soon surpass existing revenue. The board has for years been holding the line on the ongoing expenses, but recent inflationary pressures have strained the annual operating budget. The Board of Directors is proposing an amendment to the covenants that will raise the assessments limit while maintaining the existing limited expense community status. The proposal addresses the projected budgetary shortfalls beginning in 2024 and that will build over time unless action is taken. The board plans to hold additional community "town hall" meetings over the next few months to inform the community of the need and obtain feedback from the owners. Anderson presented a slide with several FAQ responses to questions that owners asked about the HOA financials and board proposal.

**D. Discussion:** There were many questions brought and answered up during the open discussion part of the presentation. Most of the questions focused on the financials and proposed covenant change. Other questions and comments concerned the entrance monuments, additional road repairs, street lights too bright, and the golf course maintenance barn.

**E. Adjournment: 9:20 PM**

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*Steve Shurgot, President King's Deer HOA*

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*Greg Wolff, Secretary King's Deer HOA*