

Canyon Creek Estates Homeowners Association

Annual Homeowners Meeting Agenda

Date: November 13, 2024

Time: 6:00 pm

Location: New Castle Community Center, 423 W Main Street

AGENDA

Homeowner sign-in and introductions (Proxy attached for those not able to attend)

President's Report (Kyle):

Secretary's Report (Michael):

- Review of Annual Meeting Minutes held November 7, 2023 (attached)

Treasurer's Report (Shannon):

- Proposed FY 2024/25 budget and current year budget-to-actual report (attached)
- Status of target reserve level (see bottom of proposed budget)
- Fifteen-year capital plan (attached)
- Schedule of quarterly dues based on annual dues increase of 4.5% (CPI for the 12 months ended November 2023 per covenants)

Other Reports:

- ☐ **Road asphalt overlay – Travis**
 - See attached recommendation
- ☐ **Vendor proposal for high-speed Internet – Travis**
- ☐ **Firewise program – Bob Richardson**
- ☐ **Fencing update –**
 - West side of subdivision entrance
 - Below pond area
 - Include future replacement in 15-year capital plan?
- ☐ **Homeowner communications – Kevin**
 - Website
 - HOA member email notifications

New Business:

- ☐ Election of one new board member (seat vacated by Kyle McElroy)
- ☐ Spring clean-up is scheduled for Saturday, April 26th
- ☐ Other

Canyon Creek Estates Homeowners Association

Annual Homeowners Meeting Minutes

Date: November 7, 2023

Time: 6:00 pm

Location: New Castle Public Library Meeting Room, 402 W. Main Street, New Castle

AGENDA

Homeowner sign-in and introductions

30 Homeowners were in attendance plus 15 absent represented by Proxy; Total voting members 45 meeting the quorum requirements established by the covenants.

President's Report :

Kyle reported events that had transpired on the Board from 9/21/23 when the Board accepted former President Bob Richardson's resignation, to the reorganization of officers of which Kyle agreed to accept the office of President, and Travis as Vice-President.

Secretary's Report :

Bill reviewed the Annual Meeting Minutes from November 2, 2022. No edits or corrections proposed. Minutes approved as written.

Treasurer's Report :

Shannon reviewed the following four financial attachments:

- Proposed FY 2023/24 budget
- Fifteen-year capital plan
- Target reserve level
- Proposed annual dues increase of 10.1% (based on 7.1% CPI for the 12 months ended November 2022 per covenants plus 3%)

After discussion on the proposed annual dues increase, the motion to approve the 10.1% increase was seconded, and the vote to approve was 32 in favor. MOTION PASSED

Other Reports:

- Dues payment options
 - A proposal to eliminate the credit card payment option due to credit card processing fees was discussed. Credit card fees are projected to cost the homeowners \$2,500 to \$3,000 per year. The motion to eliminate this option was seconded, and the vote to approve was unanimous. MOTION PASSED
 - Association members can continue to pay by check or e-check
- Status update on fencing at the subdivision's entrance

The board proposed replacement of the fence with trees/shrubs. Some homeowners voiced concerns that trees and shrubs would not provide an adequate sight barrier and that they would require maintenance including a reliable water source. The amount reflected in the proposed budget for this line item will be approximately the same whether fencing or trees/shrubs are utilized as a sight barrier. The budgeted amount of \$4,120 represents half of the projected cost (the owner of the property on the west side of the fence will cover half of the cost). Motion to replace with fencing (rather than trees and shrubs) was made and seconded, and the vote was 23 in favor and 18 against. MOTION PASSED

- Status update on common area split rail fence
 - Estimated cost of replacement - \$55,000 fencing plus \$6,000 removal of the old fence. This option would require a special assessment of approximately \$900 per lot. NO MOTION made. The homeowners in attendance did not support this option.
 - Estimated cost of removal - \$6,000. Motion to approve, seconded; vote was 13 in favor. MOTION FAILED. Homeowners agreed that the fence should be removed, but did not want to spend \$6,000 to complete the work. Instead, homeowners favored including the fence removal as a major project during the Spring Cleanup Day. Current and former board members voiced concerns that very few homeowners show up for the annual clean-up day and that a project of this magnitude will require many volunteers. Homeowners confirmed that this should be part of the spring cleanup work despite concerns that were raised.
- Road asphalt overlay special assessment
 - The board reviewed the need to complete an asphalt overlay of the road (this is reflected in the 15-year capital plan reviewed earlier in the meeting). In the original long-term capital plan, this work was projected to be required by 2022 or 2023. According to the HOA's consulting engineer, Yancy Nichol, the road is in better-than-expected condition at this point. However, he urged the HOA to complete an overlay by 2026 to preserve the road's substructure. He noted that the cost of an overlay will be substantially less than replacing the entire road, and that if the road is allowed to deteriorate, a total replacement would be required. Yancy noted that the road would be expected to last an additional 30 years once the overlay is completed.
 - Work to be completed summer 2026
 - Project cost estimate: \$458,000
 - Special assessment estimate: \$6,900 per lot
 - Board Proposal: \$3,500 of special assessment due by March 2025, remaining special assessment based on project bids due by March 2026 (estimated at \$3,400)

After further discussion, a motion was made to accept the Board Proposal, seconded, and the vote was 30 in favor. MOTION PASSED

New Business:

- Election of two new board members (seats vacated by Bob Richardson and Bill Swigert)
 - Members Mike Colangelo and Kevin Ilick were nominated from the floor, and seconded. Vote for was UNANIMOUS. Welcome new Board Members Mike and Kevin!!
- Members requested that this spring's cleanup weekend be scheduled as early as possible.
- Question from the floor concerning Accessory Dwelling Units (ADU) and how they are addressed in the Covenants. Response from the floor was that our subdivision was approved for Single Family Residences only; not ADUs. ADU's are governed by Garfield County.
- A motion to approve the Proposed Budget as amended (to exclude the line items for split-rail fence removal and credit card fees) with the 10.1% increase in HOA dues was presented and seconded. With no further discussion vote in favor of approval was UNANIMOUS. BUDGET APPROVED

Canyon Creek Estates Homeowners Association
Fiscal Year Ended September 30, 2025 - Proposed Budget (Cash Basis)
Prior Year Actual Revenues and Expenditures

	Actual 2021/22	Actual 2022/23	Budget 2023/24	Actual 2023/24	Favorable (Unfavorable) Variance	Proposed Budget 2024/25
Beginning Cash Balance	\$125,312	\$136,089	\$101,591	\$101,591	\$0	\$116,999
REVENUES						
HOA dues - Homes	158,070	173,784	186,107	183,298	(2,809)	194,470
HOA dues - Lots	1,413	1,970	1,446	1,446	-	1,512
HOA dues - Sewer	1,796	1,920	2,112	2,112	-	2,208
HOA dues - Water	2,694	2,880	3,168	3,168	-	3,312
Interest income / Late fees	1,204	1,138	2,000	420	(1,580)	1,800
Subtotal - operating income	165,177	181,692	194,833	190,444	(4,389)	203,302
Special Assessments - road overlay			-	7,000	7,000	225,155
Special Assessments - water tank	-	4,364	-	-	-	-
Total Revenues	165,177	186,056	194,833	197,444	2,611	428,457
EXPENDITURES						
General Operating:						
Accounting and consulting	6,004	12,900	14,000	10,780	3,220	14,000
Office & Admin.	1,336	1,343	1,800	1,374	426	1,436
Merchant service fees	-	2,815	-	1,166	(1,166)	575
Insurance	4,701	6,235	6,503	7,629	(1,126)	7,972
Legal	5,492	45,389	15,000	48,265	(33,265)	20,000
Maintenance - ditches	4,462	5,050	5,353	4,830	523	5,047
Maintenance - grounds	16,882	19,005	20,145	17,765	2,380	21,052
Maintenance - tree removal	-	-	-	-	-	5,000
Trash service	16,070	16,737	18,444	17,189	1,255	18,183
Fire mitigation	28,407	500	5,000	-	5,000	5,000
Infrastructure assessment		-	7,000	4,219	2,781	-
Roads:						
Maintenance	3,580	18,166	9,000	-	9,000	4,980
Snow removal	15,519	17,923	18,998	7,392	11,606	21,353
Sewer System:						
Electricity	3,532	3,318	3,517	4,186	(669)	3,994
Maintenance, inspections, fees	15,157	950	17,000	13,726	3,274	17,000
TV and Jetting	-	-	11,000	-	11,000	11,000
Water System:						
Electricity - Pumps & common areas	10,799	11,358	12,039	11,237	802	11,743
Maintenance, inspections, testing, fees	21,749	20,141	29,000	25,151	3,849	28,283
Lead-based pipe study	-	-	10,000	-	10,000	-
Telephone	710	1,133	1,201	1,092	109	1,176
Capital projects and improvements:						
Irrigation at location of ditch piping	-	-	-	-	-	6,000
Sight barrier on entrance road	-	-	4,120	-	4,120	-
Playground equipment replacement	-	21,096	-	-	-	-
Spare sewer/water syst replacement parts	-	16,495	5,000	6,035	(1,035)	-
Total Expenditures	154,400	220,554	214,120	182,036	32,084	203,793
Net Revenues Over (Under) Expenditures	10,777	(34,498)	(19,287)	15,408	34,695	224,663
Ending Cash Balance	<u>\$136,089</u>	<u>\$101,591</u>	<u>\$82,304</u>	<u>\$116,999</u>	<u>\$34,695</u>	<u>\$341,662</u>
Restricted cash reserve (road overlay project)				\$0		\$225,155
Emergency capital reserve				80,000		80,000
Operating cash reserve				36,999		36,507
				<u>\$116,999</u>		<u>\$341,662</u>
Targeted general reserve level:						
Operating reserve (3 months)				\$47,611		\$50,825
Emergency capital reserve				80,000		80,000
Total targeted reserve level (excluding scheduled capital improvements)				<u>\$127,611</u>		<u>\$130,825</u>
Projected shortfall in ending operating cash reserve				\$10,612		\$14,318

Canyon Creek Estates
Fifteen Year Capital Plan & Emergency Capital Reserves

Information below is per the Reserve Study completed by Sopris Engineering, September 2023

<u>Scheduled Improvements:</u>		<u>2024/25</u>	<u>2025/26</u>	<u>2030/31</u>	<u>2031/32</u>	<u>2033/34</u>	<u>2036/37</u>	<u>Total</u>
Sanitary sewer:								
Sewer repairs/upgrades	A	\$21,000						\$21,000
Sewer TV & Jetting		11,000				14,783		25,783
Sewer plant assessment study	B		15,913					15,913
Blower motor & mixer motor	C				6,334			6,334
Water system:								
Refurbish oldest water tank				51,655				51,655
Roads:								
2" asphaltic overlay	D		381,924					381,924
Drainage improvements			26,522					26,522
Culvert replacement			7,957					7,957
Road - seal coat	E			34,805			41,560	76,365
Subtotal		\$32,000	\$432,316	\$86,460	\$6,334	\$14,783	\$41,560	\$613,453
10% Contingency		3,200	43,232	8,646	633	1,478	4,156	61,345
Grand Total		\$35,200	\$475,548	\$95,106	\$6,967	\$16,261	\$45,716	\$674,798
Total Road Project Cost								
			458,043					
Total Lots								
			66.33					
Projected special assessment								
			6,906					

NOTE Above estimates assume annual construction cost increase of 3% per year. Projections should be updated every few years to reflect actual construction cost increases.

- A This item was identified as a needed upgrade in the last 15-year reserve study and may have already been completed. If sewer TV/jetting determines this has not yet been completed, it will need to be done as soon as possible. This amount has not been included in the 2023/24 budget.
- B Assessment study is to determine if the existing sewer treatment plant can comply with the new phosphorus and nitrogen treatment levels required by the State in the future. The assessment will determine if compliance is a minor or large capital expense. Anticipate the new requirement by the State will be in 2037 with 5-10 years to comply.
- C Alan @ EPC indicates well pumps are in good condition. Assume motors will need to be replaced at some point during the 15 year study period.
- D Includes butt mill to match existing driveways plus gravel shoulder improvements
- E Inspection of the HOA roads needs to occur every spring. Based on 2023 inspection, overlay deferred until 2026. Seal coat may be required sooner dependent on annual inspection.

Emergency Funds: **Projected Cost**

Sewer main and manhole upgrade 1	F	8,000
Sewer main and manhole upgrade 2	F	10,000
Decant screw at sewer plant	G	20,000
Tank radio system	H	5,000
Water line replacement	I	20,000
Well pump replacement		17,000
Fencing replacements (when damaged)		5,000

- F Potential problematic sewer line areas identified during previous TV/jetting to be addressed based on results of 2024 TV/jetting.
- G Per Alan @ EPC, decant screw will need to be replaced at some time during 15 year study period based on inspection
- H Spare tank radio system included in 2023/24 budget
- I Assumes 150 feet of water line replacement per occurrence

NOTE: Items listed above are examples of issues that would typically need to be addressed through emergency reserves when failures occur or when part-replacement is identified as urgent. The items listed are examples of why emergency reserve funds are necessary. CCE has experienced as many as 3 water line breaks in a single year.

Canyon Creek Estates HOA

Dues by Quarter

	Homes	Single Lots	Water or Sewer
Fiscal Year Ended September 30, 2025			
Qtr 1	\$723	\$181	\$264
Qtr 2	788	197	288
Qtr 3	756	189	276
Qtr 4	756	189	276
Total annual	<u>\$3,023</u>	<u>\$756</u>	<u>\$1,104</u>
Fiscal Year Ended September 30, 2024			
Qtr 1	\$657	\$164	\$240
Qtr 2	790	197	288
Qtr 3	723	181	264
Qtr 4	723	181	264
	<u>\$2,893</u>	<u>\$723</u>	<u>\$1,056</u>
Percentge Increase	4.5%	4.6%	4.5%

Road Asphalt Overlay Project

The Road Committee (volunteers welcome) will soon convene to begin planning for the road overlay project. Two primary concerns—cost escalation and potential deterioration of the road substructure—may lead the committee to recommend advancing the project to spring 2025, rather than waiting until 2026 as originally planned. At last year's annual meeting, the HOA approved Option 1 (completion in 2026). The Board is recommending that the HOA also approve Option 2 (completion in 2025), and task the Road Committee with selecting the option that best serves the interests of the community. For both options, members can pay the assessment in two installments, one year apart.

Option 1 – Project to be completed spring/summer 2026

Approved at November 2023 meeting

Project cost estimate: \$458,000

Estimate of special assessment per lot: \$6,900

- ☐ \$3,500 due by March 31, 2025
- ☐ \$3,400 (estimate) due by March 31, 2026 – actual amount to be adjusted based on bids received Spring 2026

Option 2 – Project to be completed spring/summer 2025

Project cost estimate: \$445,000

Estimate of special assessment per lot: \$6,700

Homeowners can fund their assessment in one of two ways:

A. Pay the entire assessment estimated at \$6,700 by March 31, 2025

OR

B. Pay \$3,500 by March 31, 2025 AND

Pay \$3,200 by March 31, 2026 **plus** interest and loan closing costs for a total estimated payment of \$3,525

For those members selecting option B above, the HOA would secure a one-year loan, which would be repaid when the 2026 assessments come due on 3/31/26. Securing the loan would allow the project to be completed in spring/summer 2025 rather than waiting until 2026. Interest and loan closing costs reflected above are estimates and likely to be lower.

Keep in mind that in both scenarios above, the actual assessment amounts will be based on project bids received in spring 2026 (option 1) or spring 2025 (option 2).

CANYON CREEK ESTATES HOMEOWNERS ASSOCIATION
2024 NOTICE OF ANNUAL MEETING
AND PROXY

Notice is hereby given that the Annual Meeting for Canyon Creek Estates Homeowners' Association will be held on Wednesday, November 13th, 2024 at 6:00 P.M. at the New Castle Community Center located at 423 W Main Street, New Castle, CO.

Meeting materials (agenda, proposed budget, and prior year minutes) will be e-mailed to owners prior to the meeting. If you are new to the neighborhood or do not receive e-mail updates from the HOA, please send your e-mail address to canyoncreekboard@yahoo.com. Meeting materials will also be available on the HOA's website at canyoncreekestateshoa.org.

YOU MAY ATTEND THE MEETING AND VOTE IN PERSON OR APPOINT A PROXY TO ACT FOR YOU.

PLEASE COMPLETE AND SIGN (if you are unable to attend)

I (We), owners of the home or lot at _____, hereby appoint and constitute (if you want somebody else to vote your Proxy, insert their name here) _____, to be my (our) Proxy with power of substitution, for me (us) to vote my (our) memberships at the 2024 Annual Meeting, or any adjournment or continuation, on all matters that may lawfully come before the meeting and with all powers the undersigned would possess if personally present.

If you sign and return this Proxy without designating a specific proxy above, the Board's designee will cast your vote. If you designate someone else to vote your Proxy, they will vote your ballot at the annual meeting, as they deem proper, or according to your instructions if provided. Homeowners are only entitled to one vote per household regardless of the number of members occupying the residence.

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This Proxy supersedes all other Proxies. You may withdraw this Proxy in writing or in person at any time before votes are cast.

Print Name _____ Signature _____

Print Name _____ Signature _____

E-MAIL ADDRESS: _____

If property is held in more than one name, all owners must sign the proxy- still one vote per lot or home.

Return Proxy by November 6, 2024. Proxies can be emailed to canyoncreekboard@yahoo.com, or mailed to CCHOA, P.O. Box 160, Glenwood Springs, CO 81602. Proxies can also be returned with a neighbor the night of the meeting.