



Red Hawk Ranch

Owners Association & Water Company

2022 Annual Owners Meeting

**November 17th 2022
6:00 pm MST
ZOOM videoconference**

Owners Association Agenda

1. Quorum Determination, Call to Order, and Meeting Procedures
2. Board Report
3. Approval of 2021 Meeting Minutes
4. Treasurer's Report
 1. 2022 Financial Summary
 2. 2022 Reserve Study
 3. 2023 Budget Review & Approval
5. Architectural Review Committee Report
6. School District Annexation
7. Election of Board Members
8. Open Forum (5 minutes per lot)
9. Adjournment

Quorum Determination

Quorum Determination

- Determine if greater than 50% of ownership interest is present in-person or via proxy as required to conduct Association business.
- If quorum is not attained, the meeting will continue as an informational meeting with voting to follow at a later date.

Meeting Procedures

- The Board and the management company will be “panelists” and the homeowners will be “attendees”.
- To ask a question at the designated times, please click the “Raise Hand” button to be recognized, you will then be able to unmute yourself.

Welcome & Introductions

— Board & Management —

Board of Trustees

Robert John

Kent Fuller

Joren Peterson

Susanne McCarthy

Molly Campbell

Model HOA

Allyson Dickey

Eyreka Smith

———— Committees ————

Architectural Review Committee

Jeanne Peterson (Chair)

Molly Campbell

Matteo Previtali

Water Committee

Robert John (Chair)

Road Committee

Robert John (Chair)

Gate Committee

Susanne McCarthy

Board Report

Board Report with Robert John



RED HAWK
RANCH

2021 Minutes Approval

2021 Annual Meeting Minutes - link [here](#) to the minutes from the 2021 annual meeting.

Voting: The ballot to approve the minutes will be via the Zoom polling feature so please log onto the Zoom videoconference to vote.

2022 Financial Summary: Balance Sheet

Balance Sheet as of 09/30/22

ASSETS

Operating	79,555
Reserve	56,195
Accounts Receivable	(825)
TOTAL ASSETS	134,925

LIABILITIES & EQUITY

Liabilities

Accounts Payable	1,218
Construction Deposit	10,000
Total Liabilities	11,218

Equity

Retained Earnings	121,561
Net Income	2,145
Total Equity	123,706

TOTAL LIABILITIES & EQUITY	134,925
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2022 Financial Summary: Budget vs. Actual

OPERATING INCOME	Budget	Anticipated	\$ Over		Budget	Anticipated	\$ Over
Quarterly Fees				RESERVE INCOME			
Quarterly Dues	69,000	69,000	-	Reserve Contribution	5,159	-	(5,159)
Silver Creek Road	6,900	6,900	-	Interest	-	200	200
Other Income				New Member Fee	-	-	-
16.5 Road Maint.	2,043	2,043	-	Road Fee (Richey, Huser, Calodney)	-	20,582	20,582
Late Fees / Finance Chg.	-	500	500	Gate Fee	-	1,500	1,500
Interest	-	35	35				
Gate Remote Fee	-	150	150				
TOTAL OPER. INCOME	77,943	78,628	685	TOTAL RESERVE INCOME	5,159	22,282	17,123
Road Maintenance				RESERVE EXPENSES			
Snow Removal	34,950	34,950	-	Reserve Expenses	-	-	-
Silver Creek Road	4,300	4,300	-	TOTAL RESERVE EXPENSES	-	-	-
Road Maint & Repair	10,000	16,918	6,918	RESERVE SURPLUS/(DEFICIT)	5,159	22,282	17,123
Guardrail Maint & Repair	1,000	-	(1,000)	TOTAL SURPLUS/(DEFICIT)	5,159	13,288	8,129
Weed Remediation	1,000	960	(40)				
Entry Gate Maint & Repair	1,000	1,500	500				
Entry Gate Electric	180	-	(180)				
Dumpster Service & Maint.	2,600	4,500	1,900				
Sign Repair, Maint., Replace	500	500	-				
Professional Fees				Notes:			
Management	11,934	13,228	1,294	• Anticipated year-end surplus of \$13K which is better than budgeted by \$8K driven by unbudgeted new construction road fees.			
Architectural Services							
Legal	2,500	7,516	5,016				
Accounting	200	177	(23)				
Administrative Expense							
Insurance	2,200	2,080	(120)				
Website	170	170	-				
Quickbooks Payments Fees	-	350	350				
Other Admin	250	474	224				
TOTAL OPER. EXPENSES	72,784	87,622	14,838				
OPER. SURPLUS/DEFICIT	5,159	(8,994)	(14,153)				

Reserve Contribution (5,159) - 5,159

2022 Reserve Study Summary

Background:

- The State of Utah requires HOAs to conduct a reserve study every 3 year years.
- Reserve studies analyze the capital assets of an HOA to 1) identify the assets, 2) estimate the useful life, 3) estimate the remaining useful life, 4) estimate the replacement cost, 5) calculate the necessary funds needed to cover those expenses over a 30-year time period, 6) recommend the annual reserve “contribution” needed to cover those expenses.
- Funding levels range from 100% fully-funded (i.e., enough money “in the bank” to cover future expenses) to 0% funded (i.e., expenses each year are covered by the dues and/or special assessment).

2022 Reserve Study Summary:

- HOA capital components: road mill & overlay, road seal coat, front gate.
- Recommended annual reserve contribution = \$69K.
- Link to full study [here](#).

2023 Proposed Budget

	2022 Budget	2023 Budget
OPERATING INCOME		
Quarterly Dues	75,900	92,000
16.5 Road Maint.	2,043	2,800
Late Fees / Finance Chg.	-	-
Interest	-	-
Gate Remote Fee	-	-
TOTAL OPER. INCOME	77,943	94,800
OPERATING EXPENSES		
Road Maintenance		
Snow Removal	34,950	31,973
Silver Creek Road	4,300	2,400
Guard Rail Maint & Repair	1,000	1,500
Road Maint & Repair	10,000	15,000
Weed Remediation	1,000	1,000
Entry Gate Maint & Repair	1,000	1,500
Entry Gate Electric	180	-
Dumpster Area Maint.	2,600	4,500
Sign Repair, Maint, Replace	500	500
Professional Fees		
Management	11,934	12,292
Architectural Services	-	-
Legal	2,500	7,500
Accounting	200	200
Administrative Expense		
Insurance	2,200	2,200
Website	170	170
Quickbooks Payments Fees	-	350
Other Admin	250	500
TOTAL OPER. EXPENSES	72,784	81,585
OPER. SURPLUS/DEFICIT	5,159	13,215
<i>Reserve Contribution</i>	<i>(5,159)</i>	<i>(13,215)</i>

	2022 Budget	2023 Budget
RESERVE INCOME		
Reserve Contribution	5,159	13,215
Reserve Account Interest	-	-
New Member Fee	-	-
Road Fee	-	-
Gate Fee	-	-
TOTAL RESERVE INCOME	5,159	13,215
RESERVE EXPENSES		
Reserve Expenses	-	-
TOTAL RESERVE EXPENSES	-	-
RESERVE SURPLUS/(DEFICIT)	5,159	13,215
TOTAL SURPLUS/(DEFICIT)	5,159	13,215

Notes:

- The proposed budget represents a 21% increase in quarterly dues from \$825/lot to \$1,000/lot driven primarily by the increased contribution to the capital reserve, road maintenance, and potential legal fees.
- Silver Creek road contribution reduced by the cost of the dumpster.
- Reserve contribution level as budgeted is only 19% of the recommended annual contribution.

2023 Budget Approval

- The proposed budget represents a 21% increase in quarterly dues from \$825/lot to \$1,000/lot driven primarily by the increased contribution to the capital reserve.
- Owners must vote to approve a budget with more than a 15% increase.
- The ballot will be via the Zoom polling feature so please log onto the Zoom videoconference to vote.

Architectural Review Committee Update

ARC Update with Jeanne Peterson

- Summary of active architectural projects in Red Hawk
- Reminder to all owners that any exterior modification to your home or property requires Architectural Committee approval *prior* to project commencement
- The Design Guidelines are posted on the HOA's website at redhawkroa.com

School District Annexation

Update with Molly Campbell



Election of Board Members

- Two Board terms expiring
- Candidate for election: Susanne McCarthy, Faith Petersen
- Nominations from the floor
- Candidate statements
- The Board election ballot will be via the Zoom polling feature so please log onto the Zoom videoconference to vote

Owner Open Forum

- Owners wishing to speak during the owner open forum will be given five minutes each.
- Please click the “raise hand” feature in the Zoom platform to indicate you would like to speak during the forum and the moderator will unmute when it’s your turn.



Meeting Adjournment

Water Company Agenda

1. Quorum Determination, Call to Order, and Meeting Procedures
2. Approval of 2021 Meeting Minutes
3. Treasurer's Report
 1. 2022 Financial Summary
 2. 2023 Budget Review & Approval
4. Management Company Report
5. Water Master Report
6. Election of Board Members
7. Open Forum (5 minutes per lot)
8. Adjournment

Quorum Determination

- Determine if greater than 50% of ownership interest is present in-person or via proxy as required to conduct Water Company business.
- If quorum is not attained, the meeting will continue as an informational meeting with voting to follow at a later date.

2021 Minutes Approval

2021 Annual Meeting Minutes - link [here](#) to the minutes from the 2021 annual meeting.

Voting: The ballot to approve the minutes will be via the Zoom polling feature so please log onto the Zoom videoconference to vote.

2022 Financial Summary: Balance Sheet

Balance Sheet as of 09/30/22

ASSETS

Operating	141,559
Reserve	98,779
Accounts Receivable	(500)
TOTAL ASSETS	239,838

LIABILITIES & EQUITY

Liabilities

Accounts Payable	58
Total Liabilities	58

Equity

Retained Earnings	241,545
Net Income	(1,765)
Total Equity	239,780

TOTAL LIABILITIES & EQUITY	239,838
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2022 Financial Summary: Budget vs. Actual

	Budget	Anticipated	\$ Over
OPERATING INCOME			
Quarterly Fees			
Base Fees	19,550	20,700	1,150
Water Reserve	10,815	11,855	1,040
Water Standby	408	306	(102)
Water Shares	7,035	7,035	-
Water Overages	4,000	3,405	(595)
Other Income			
Water Connection	-	-	-
Late Fee, Finance Charges	-	200	200
Interest	-	75	75
TOTAL OPER. INCOME	41,808	43,576	1,768
OPERATING EXPENSES			
Professional Fees			
Water Operations	9,000	6,910	(2,090)
Management	11,934	12,122	188
Engineering	1,000	6,326	5,326
Legal	500	-	(500)
Accounting	350	352	2
Administrative Expense			
Insurance	3,300	3,220	(80)
Quickbooks Payments Fees	-	125	125
Other Admin	100	10	(90)
Other Expenses			
Water Shares	7,040	7,040	-
Water Testing	100	100	-
Cellular & telemetry	3,000	3,000	-
Electricity	4,000	4,000	-
TOTAL OPER. EXPENSES	40,324	43,205	2,881
NET OPER. SURPLUS	1,484	371	(1,113)
Reserve Contribution	(1,484)	(371)	1,113

	Budget	Anticipated	\$ Over
RESERVE INCOME			
Reserve Contribution	1,484	371	(1,113)
Interest	-	300	300
TOTAL RESERVE INCOME	1,484	671	(813)
RESERVE EXPENSES			
Capital Improvements	24,000	1,356	(22,644)
TOTAL RESERVE EXPENSES	24,000	1,356	(22,644)
RESERVE SURPLUS/(DEFICIT)	(22,516)	(685)	21,831
TOTAL SURPLUS/(DEFICIT)	(22,516)	(685)	21,831

Notes:

- Anticipated year-end deficit of \$685 which is \$21,831 better than budgeted driven by underspending in capital improvements.
- Operating expenses higher than budgeted due to the engineering study for the Master Drinking Water Plan (to be reviewed later in the meeting).

2022 Reserve Study Summary

Background:

- Reserve studies analyze the capital assets of the Water Company to 1) identify the assets, 2) estimate the useful life, 3) estimate the remaining useful life, 4) estimate the replacement cost, 5) calculate the necessary funds needed to cover those expenses, 6) recommend the annual reserve “contribution” needed to cover those expenses.
- Funding levels range from 100% fully-funded (i.e., enough money “in the bank” to cover future expenses) to 0% funded (i.e., expenses each year are covered by the dues and/or special assessment).

2022 Reserve Study Summary:

- Data source: Hansen, Allen & Luce Engineering
- Water Company capital components: piping, wells, tanks, pumps, telemetry
- Recommended annual reserve contribution = \$179K.
- Link to full study [here](#).

2023 Proposed Budget

	2022 Budget	2023 Budget
OPERATING INCOME		
Quarterly Fees		
Base Fees	19,958	37,877
Water Reserve	10,815	13,372
Water Shares	7,035	7,035
Water Overages	4,000	3,000
Other Income		
Water Connection Fee	-	20,000
Interest	-	-
TOTAL OPER. INCOME	41,808	61,284
OPERATING EXPENSES		
Professional Fees		
Water Operations & Maint.	9,000	9,000
Management	11,934	12,292
Engineering	1,000	5,000
Legal	500	500
Accounting	350	350
Administrative Expense		
Insurance	3,300	3,500
Quickbooks Payments Fees	-	125
Other Admin	100	10
Other Expenses		
Water Shares	7,040	7,040
Water Testing	100	100
Cellular & Telemetry	3,000	3,000
Electricity	4,000	4,000
TOTAL OPER. EXPENSES	40,324	44,917
NET OPER. SURPLUS	1,484	16,367
Reserve Contribution	(1,484)	(16,367)

	2022 Budget	2023 Budget
RESERVE INCOME		
Reserve Contribution	1,484	16,367
Water Connection Fee	-	20,000
Reserve Account Interest	-	-
TOTAL RESERVE INCOME	1,484	36,367
RESERVE EXPENSES		
Capital Improvements	24,000	25,000
TOTAL RESERVE EXPENSES	24,000	25,000
RESERVE SURPLUS/(DEFICIT)	(22,516)	11,367
TOTAL SURPLUS/(DEFICIT)	(22,516)	11,367

Notes:

- The proposed budget represents a 50% increase in quarterly assessments from \$500 to \$750 for connected users and from \$238 to \$357 for stand-by users driven by the increased contribution to the capital reserve.
- Adjusted the water reserve so that all users are paying into the reserve account.
- One-time budgeted water connection fee for Huser and Calodney.
- Reserve contribution level as budgeted is only 9% of the recommended annual contribution.

2023 Budget Approval

- The proposed budget represents a 50% increase in quarterly assessments from \$500 to \$750 for connected users and from \$238 to \$357 for stand-by users driven by the increased contribution to the capital reserve.
- Shareholders must vote to approve the budget.
- The ballot will be via the Zoom polling feature so please log onto the Zoom videoconference to vote.

Management Company Report

- Reminder that the water year runs from October-September
- Each lot receives 100,000 gallons annually as part of your dues
- Each gallon over the 100,000 is billed at \$0.02 / gallon
- Water usage summary below for this past water year:

Address	Name	Gallons Used
6 Red Hawk Lane	Parsons	196,171
18 Red Hawk Ridge Road	Petersen	121,143
20 Red Hawk Ridge Road	Peterson	120,835
22 Red Hawk Ridge Road	Pease	116,254
10 Red Hawk Ridge Road	Fuller	115,473
9 Red Hawk Lane	Miller	100,389
8 Red Hawk Lane	Rosenthal	85,590
7 Red Hawk Lane	Previtali	82,448
17 Red Hawk Lane	Springs	63,078
19 Red Hawk Ridge Road	Campbell	51,700
15 Red Hawk Ridge Road	John	51,558
1 Red Hawk Lane	Coleman	43,248
12 Red Hawk Lane	Ciulla	38,949
3 Red Hawk Lane	Alpine	37,025
2 Red Hawk Lane	McCarthy	34,350
4 Red Hawk Lane	Puglisi	33,770
13 Red Hawk Ridge Road	Goldstein	33,571
11 Red Hawk Lane	Wratten	15,411

} < 100,00
gallons

Water Report

Water Update with Robert John

- Summary of Drinking Water Master Plan and recommendations – link [here](#)
- Next steps for the plan
- Viewing water usage
- Digital meter project status

Election of Board Members

- Two available Board seats
- Candidate for election: Susanne McCarthy, Faith Petersen
- Nominations from the floor
- Candidate statements
- The Board election ballot will be via the Zoom polling feature so please log onto the Zoom videoconference to vote.

Owner Open Forum

- Owners wishing to speak during the owner open forum will be given five minutes each.
- Please click the “raise hand” feature in the Zoom platform to indicate you would like to speak during the forum and the moderator will unmute when it’s your turn.



Adjournment

Thanks for coming!