

Somerset Estates Homeowner Association
Sixth Annual Homeowner Meeting

Welcome

March 26, 2024, 7:00pm

Somerset Estates Homeowners Association

Maximizing Our Home Values, Quality of Life, and Position as a Premier Community

Executive Board

Scott Abrahamson*

Anthony Chirikos*

Paula Hemenway

Tim Koller

Steve Lehan

* Term Expires Tonight

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Agenda

- 1) Call to order / Quorum / Proof of notice
- 2) Ratification of 2024 budget
- 3) Approve prior minutes (March 28, 2023)
- 4) Update by current Board
- 5) Candidate statements / Q&A
- 6) Executive Board election
- 7) Member Open Forum
- 8) Adjourn

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1) Call to Order / Quorum / Proof of Notice

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Zoom Voting Procedures

(Minutes, Budget, Election)

Motion / Second

Questions / Comments

Unmute / Voice Vote

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2) Ratification of 2024 Budget

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2023 Actuals and 2024 Budget Summary

	Approved 2023 Budget	2023 Actuals	Variance - Better (Worse)	Proposed 2024 Budget
REVENUE				
HOA Dues	\$262,550	\$256,519	(\$6,031)	\$292,975
Other Revenue	\$0	\$870	\$870	\$10,000
Total Revenue	\$262,550	\$256,926	(\$5,161)	\$302,975
EXPENSES				
Operating Expenses	\$172,330	\$150,803	\$21,527	\$191,810
Capital Expenses	\$186,500	\$164,774	\$21,726	\$262,000
Total Expenses	\$358,830	\$315,577	\$43,253	\$453,810
INTEREST INCOME	\$12,000	\$13,474	\$1,474	\$10,000
NET INCOME	(\$84,280)	(\$44,714)	\$39,566	(\$140,835)

Balance Sheet

Operating Account Balance as of 12/31/23	\$9,265
Reserves Account Balance as of 12/31/23	\$378,548
Combined Balance as of 12/31/23	\$387,813
Projected for 2024:	
Less NET INCOME	(\$140,835)
Projected Combined Balance as of 12/31/24	\$246,978

- Conceptually, SEHOA expenses are divided into two parts:
 - Operating expenses (occur annually and predictably)
 - Capital expenses (larger projects that occur infrequently)
- All revenue and expenses flows through the Operating Account:
 - Reserves account is funds invested in interest-bearing accounts
 - Funds are moved as needed to pay expenses and to maximize interest

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2024 Operating Budget

CATEGORY	DETAILS	2023 ACTUAL	2024 BUDGET
REVENUE	Dues @\$825/qtr starting Q2	\$257,519	\$302,975
EXPENSES:			
Administrative	Insurance, Legal, Property Mgmt, Website, Storage, etc.	\$33,698	\$37,450
Landscape Maintenance	Irrigation, Mowing & Fertilization, Trees, Flowers, Snow Removal	\$61,190	\$75,160
Water Infrastructure Maint.	Irrigation, Ponds & Waterfalls, Pumps	\$27,918	\$46,000
Other Infrastructure Maint.	Electrical/Lighting, Fences, Paths	\$5,345	\$12,200
Water & Utilities	Electricity, Water Ditch & Lease	\$19,652	\$21,000
TOTAL EXPENSES		\$150,803	\$191,810

2024 Capital Budget

CATEGORY	SPECIFIC PROJECTS	ESTIMATED COST
LANDSCAPE PROJECTS	Design, Hwy 52 Entrance, Cyclical	\$52,800
POND REPAIRS	Finish Pond 1, Major repair to Pond 2	\$47,200
POND REDESIGN	Pond 3 Area	\$100,000
PUMPS	Replace main waterfall pumps	\$16,000
OTHER INFRASTRUCTURE	Lighting and Monuments at Hwy 52	\$46,000
TOTAL		\$262,000

Budget Ratification Vote

- Motion / Second
- Questions / Comments
- Unmute / Voice Vote

(Ratified unless 50% (45) of all Members vote against budget)

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3) Approve Prior Minutes (March 28, 2023)

Motion / Second
Questions / Comments
Unmute / Voice Vote

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4) Update by Current Board

- a. Water update
- b. Common Area improvements completed in 2023
- c. Common Area improvements planned for 2024
- d. Long-Range Planning Model
- e. Road situation
- f. Governing Documents review
- g. Architectural Control Committee update
- h. Social and Welcome Committee update

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a. Water Update

We've made a lot of progress to separate system from SHOA and fix big problems, but:

- Water infrastructure accounts for 25% of annual operating expenses
- Water accounts for 67% of 2019-2023 Capital Expenses
 - Water rights, transfer line, pond repairs, irrigation system repairs
 - Future capital expenses expected to be similar
- Our water rights cover about 25% of annual use
 - In wet years, this is supplemented by another 20-40% of “river run” (early season water to fill ponds and start irrigation)
- We need to lease remainder of demand
 - Cheap when available, but can be very limited in dry years
- On-going effort
 - Fix leaks,
 - Reduce demand,
 - Bid on any ditch shares that come up
- Long-term efforts potentially time-consuming/costly

2023 Water Use

Demand

Water Use – AF	SEHOA	SHOA	Total
Per meters out of Pond 1	38.3	13.8	52.1
Fill Pond 1 (estimate)	0.4	0.4	0.8
Pond 1 evaporation	0.3	0.3	0.6
Total	39.0	14.5	53.5
	73%	27%	

Supply

Source – AF	SEHOA	SHOA	Total
River run to fill ponds	5.0	-	5.0
River run for irrigation (May 24-Aug 12)	11.2	2.3	13.5
BWR – storage	5.6	3.0	8.6
C-BT – storage	3.5	4.2	7.7
C-BT – leased	18.6	-	18.6
Total	43.9	9.5	53.4

b. Common Area improvements in 2023

Rebuilt Pond 1 in SHOA

- Found leaks in overflow line out of pond that had to be repaired
- Included refurbishment of landscaping damaged during project

By agreement, Pond 1 costs are split with SHOA 50/50

Final cost to SEHOA = ~\$88,000, including \$3,700 in 2024.



Failing liner – dilapidated pump house



New liner – refurbished pump house

Fence repair and staining along path on north side of subdivision (east of Longview)

Before



After



After

Repair of street monuments - stucco on back sides



Before



After

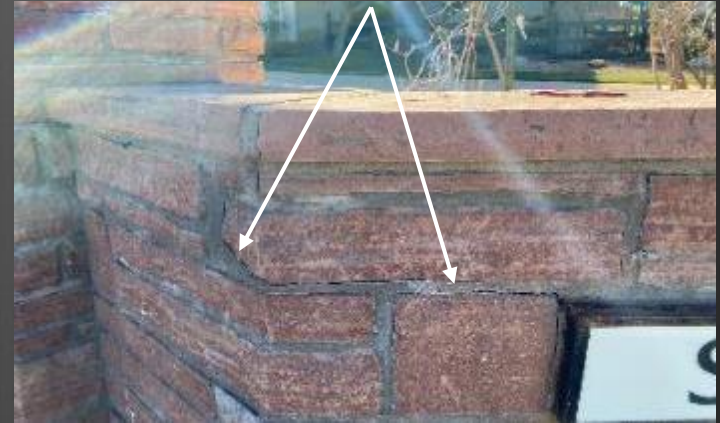
Allows damaging moisture through brickwork

Repair of street monuments – masonry

Before:



Cracks in masonry



After:



Tuckpointed and cleaned off efflorescence

Last step is to repaint the metal trim around the lighted sign this spring. 19

- Repaired sod in several locations
- Replaced non-thriving grass with rock in some locations along Somerset Dr



Before



After

Other projects

- Completed long-awaited Operations Manual for irrigation system
- Began landscape architect work on entrance at Highway 52
- Conducted engineering feasibility study for area around Pond 3
- Decided not to proceed with Niwot Loop Trail across Somerset Dr

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c. Common Area Improvements Planned for 2024

- Pond 2 major repair (underway)
- New landscaping and lighting at Hwy 52
- Pond 3 area
 - Landscape Architect design
 - Earthwork in Pond 3 area
- Replace two pumps at Pond 7 that feed the main waterfall

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Pond 2 Major Repair

Vegetation removal

Before:



After:



Pond 2 Major Repair

Liner repair



March 12



March 24



Landscaping and Lighting at Hwy 52

- Dated and tired looking, issues with lamp
- Championed by ad-hoc committee
 - Marc Arnold, Candice Hoenes, Lisbeth Lehan, and Paula Hemenway
- Interviewed 8 landscape architects
- Received proposals from 4 of them
- On-site meetings with 2 of the 4
- Selected Matt Fisher, Studio FS

Landscaping and Lighting at Hwy 52

Project Steps:

- Master Plan - completed
- Preliminary Bids – completed, but over budget
- Scope Revision and Stages – underway
- Final Bids
- Construction – Spring 2024

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Master Plan



Master Plan



Master Plan Lighting



Pond 3 Area

Pond 3 is failing

- Over the past 3 years, multiple repairs have been unsuccessful
- Based on experience with Ponds 8 and 1, rebuilding is estimated to cost about \$150,000
- Does not significantly contribute to irrigation storage

Considering two options:

1. Smaller pond fed by stream
2. Stream between Pond 2 and waterfall basin

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Option 1 – Smaller Pond



Option 2 - Stream



Pond 3 Area

Project Steps:

- Ad-hoc committee forming
 - Danny Lindau, Paula Hemenway, Other volunteers?
- Select Landscape Architect
- Master Plan – Option 1 or 2?
- Construction Bids
- Earthwork – Fall 2024 or Winter 2025
- Landscaping – Spring 2025

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d. Long-Range Planning Model

Background

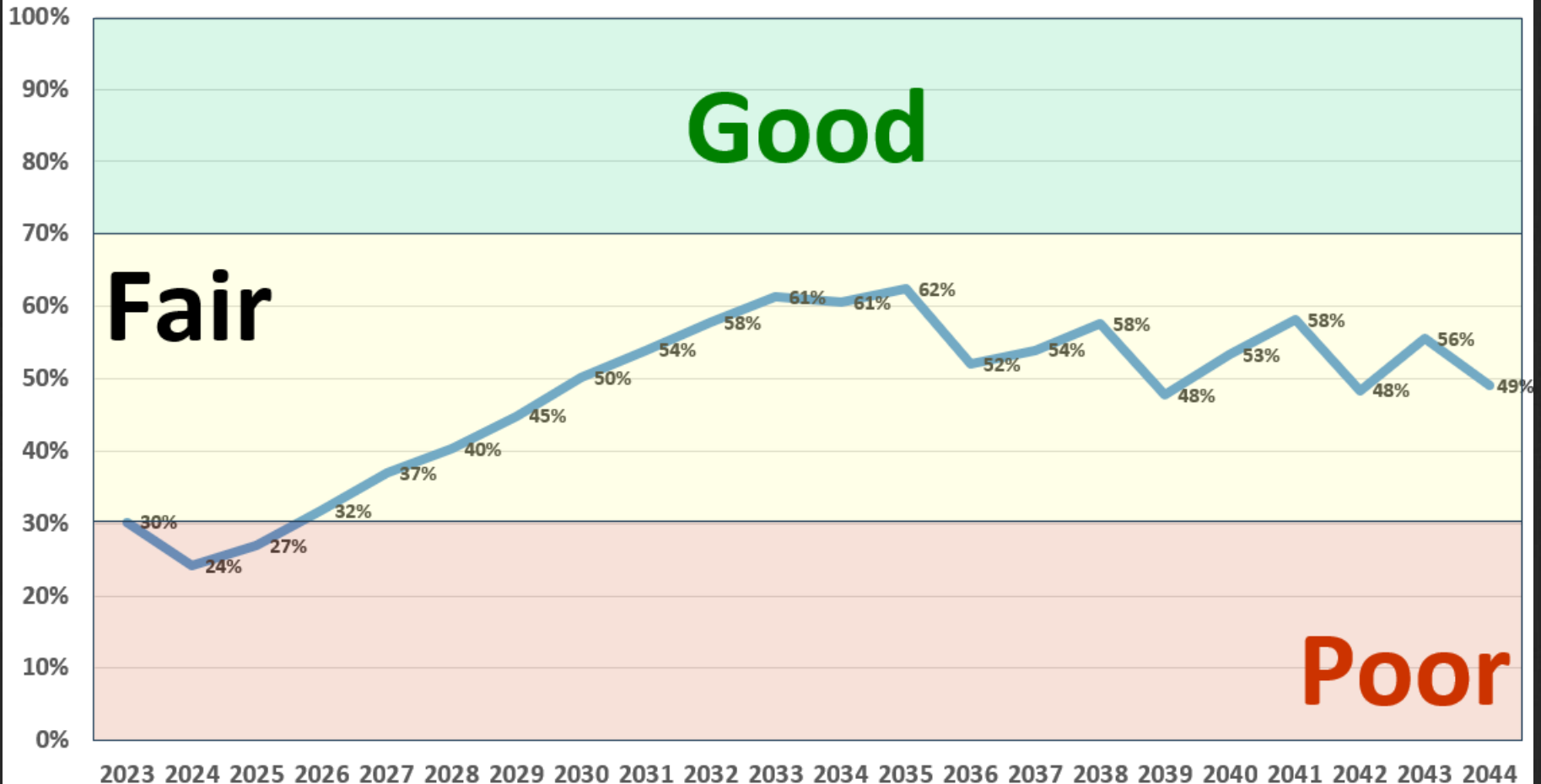
- Capital spent 2019-2023 = ~\$660,000
 - Compare to 2022 special assessment of \$445,000;
 - Remainder funded by annual dues in excess of operating expenses
- Capital budget 2024 = \$262,000
- Capital expected next 10 years (2025-2034)= ~\$495,000
- Capital after 2034 increases substantially due to major pond expenditures and fence replacements

Assumptions:

- Estimates of future capital expenses, useful life, and remaining useful life
- Expense inflation of 4% in 2025, 3% thereafter
- Dues increases of 10% in 2024, stepping down to expense inflation rate by 2027
- Minimum reserves balance of \$200,000 for possible water rights purchases
- No special assessment. This could change in case of accelerated major expense (e.g., pond liner failure).

Long-Range Planning Model

SEHOA Reserve Funding Status (20 Year Horizon)



e. Road Situation

- Roads in Somerset Estates at/beyond useful life
- Boulder County owns roads in Somerset Estates
 - County will not rebuild
- County might allow subdivision to separately contract repaving via a Public Improvement District (PID)
 - Need to obtain estimates from paving companies to compare to County estimates
 - SEHOA is investigating, but any possible PID will be independent of SEHOA

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f. Governing Documents Review

Updates approved to:

- **Reserve Fund Investment Policy**

Removed requirement that investment in a single institution be under the FDIC limit

- **Rental Rules**

To align with changes to Boulder County short-term rental regulations

- **Collection Policy**

To align with AppFolio software used by Trio

- **Architectural and Landscaping Standards**

g. Architectural Control Committee (ACC)

Larry Becker, Chairman

Randy Haisfield

Erik Hoenes

Barbara Stager

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ACC Main Goal

Maintain and improve the value of homeowner property by enhancing the unique aspects of Somerset Estates, namely the:

- Stunning views of the mountains
- High quality of home and landscaping designs
- Consistent maintenance of properties.

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Updates to Architectural and Landscaping Standards

- Approved on March 19, 2024
- Aligns Standards with revisions to the Lot Easement Policy
- Updates recommended by the ACC for best practices
- Reorders sections for more logical flow
- Removes duplicative language
- Removes legacy provisions now that we have no vacant lots
- Please review v3.0 (on website) before applying to the ACC for spring projects

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SEHOA ACC Main Functions

1. Architecture and Landscape review requests

- Approved 38 various homeowner requests in last 12 months
 - 15% of the requests related to landscaping plantings
 - 35% major yard structure installations (pergola, firepits hot tubs, waterfall features, patios & stone walls)
 - 50% exterior major home improvements (windows, painting, decks, & roof & wall repair and exterior reframing)

2. Maintenance compliance program

- Ensure SE community continues to maintain strong SE curb appeal with pruned vegetation and maintained yards and structures including SE common areas

3. Encourage SE community neighborly cooperation

- Support SE homeowners on voluntary re-opening of mountain views to all SE homeowners to ensure long-term value to SE homeowners while balancing reasonable privacy needs of neighbors

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SEHOA ACC Maintenance Compliance Program

- ACC neighborhood walk through planned various times of the year in spring thru fall.
- ACC members will attempt to photograph and date any concerns without walking on SE homeowner property.
- Early homeowner action: Cut back trees and shrubs adjacent to or overlapping fences and walkways – this will save cost and avoid compliance notices.
- SE homeowners have been very supportive and cooperative in this process. THANK YOU!!

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h. Social and Welcome Committee

- Diane and Mark Jensen hosted a party last September (2023)
- Active Book Club, Mah Jongg, and Poker groups
- Social at Annual Meeting

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Q&A on Updates

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5) Candidate Statements and Q&A

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Board Composition

- Five Member Board / Staggered Terms
- Paula Hemenway and Steve Lehan elected in 2023 for 2-year terms (March 2025)
- Tim Koller appointed in May 2023 for term ending in March 2025
- Two Terms Expiring Tonight
 - Scott Abrahamson and Anthony Chirikos
- Two Candidates to Fill Vacancies
 - Anthony Chirikos and Jon Gillespie-Brown

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Anthony Chirikos

- Current SEHOA Board Member and Treasurer
- Served on Water Committee from 2019-2022
- Served on inaugural SEHOA Board in 2018-2019
- Served on SHOA Board from 2015-2018
- Homeowner with Wendy since 2013
- Professional background in finance and private equity

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Jon Gillespie-Brown

- Homeowner with Maria since 2020
- Volunteer and Professor in higher education (Stanford, Berkeley, CU Boulder)
- Entrepreneur across several industries
- Executive experience as CFO, COO, VP of Sales, and CEO
- CEO of software company he founded in Boulder
- Wants to help local community, starting with SEHOA

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Other Nominations?

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Q&A

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6) Executive Board Election

Motion / Second
Questions / Comments
Unmute / Voice Vote

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7) Member Open Forum

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Appreciation

Thank you to the Kollers for hosting the Annual Meeting!

Thank you to Scott Abrahamson for serving first on the ACC, then as SEHOA's second President.

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8) Adjourn

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