

**Minutes of Meeting of the Executive Board of Directors of
Somerset Estates Homeowners Association (SEHOA)
September 11, 2018
Niwot Fire Station**

1. Call to order

The meeting was called to order at 6.30 pm.

2. Quorum

Four Directors were present, Marc Arnold (MA), Anthony Chirikos (AC), Paula Hemenway (PH), and Kip Sharp (KS), representing a quorum. Susan Reilly (SR) was absent.

Homeowners present – Barb Stager, Richelle Burnett, Herb McPherson, Larry Becker, Steve Flannery, Jim Hemenway, Bob Uhler (part of meeting)

3. Approval of previous minutes

Motion to approve September 5, 2018 executive board meeting minutes, proposed by AC and seconded by KS, passed unanimously.

4. Candidates for Architectural Control Committee (ACC) invited to speak

Three candidates for the ACC answered questions at this meeting.

Barbara Stager is an original homeowner and has lived here for 24 years. She is a CPA, but most of her energies have been as a mom and volunteer since her four children were born. She has been on Parent Advisory Councils and church boards and has volunteered as a Scout leader, soccer coach, and for other community organizations. She has been the Treasurer of a vacation home HOA for six years. She lives here full-time and is flexible in her availability. Her approach to developing new standards is to use the old standards for guidance as well as those for other neighborhoods. Looking at existing homes to see what needs to be changed and getting homeowner input is also important. The issue of tree growth that obstructs views must be considered. She hopes that people can be neighborly and considerate. She thinks the documents must be interpreted strictly in some instances, but other things might be a matter of taste that can change over time (like colors). Checking with neighbors on proposed changes is important. She previously had a dispute over tree trimming where a tree had not been approved and was growing into their view. This was settled with an easement.

Larry Becker has owned a lot in Somerset Estates for 25 years, but built a house and moved to the neighborhood 4 years ago. He has developed several subdivisions, building over 1,000 units throughout the US and Canada. As part of his work, he has put together ACC guidelines. He is in finance, not engineering or architecture, but he has done lots of building so is very familiar with the issues in HOAs. He served on the YMCA board for about 9 years, where he was responsible for facilities, finance and membership. He was also on the Dawson School Board for many years and coaches ice hockey. He lives here full-time, with some travel. He sees several areas in the current standards that need to be updated, including issues around mature trees,

safety, lack of conformity to rules, ground settling, and drainage. We need standards that are designed for our current situation as a mature neighborhood, and not so much from the developer's point of view. One approach is to address controversial topics by getting feedback from the homeowners. He will follow the new standards strictly after they are set up. We need to keep pretty firm on what we're doing, although sometimes we need to be flexible. He worked with the ACC on the approval for the building of his house and has not made further changes without approval.

Steve Flannery has lived in Somerset since 1996 and Somerset Estates since 2001. After earning an MSEE/CS and MBA from Stanford, he has had a career as a high tech entrepreneur. He was the founder and CEO of Sitera Company, and he still invests in technology companies and coaches entrepreneurs part-time. He joined the ACC in 2004 when it was transitioning from being run by John McGraw. He also volunteers with organizations that educate underprivileged children and help young families escape to South Africa from other parts of Africa. He says he lives here full-time, with some projects in California. His approach to the ACC is that people are good with standards if they are well-defined and consistently applied. He sees improvements needed in the areas of home maintenance, view issues that are an aggravation and may not work for this community, water efficiency, and allowing modern looks to creep in, like new types of lighting. He believes the ACC's job is to be customer focused and help them be successful within the boundaries of the standards, which sometimes requires creativity and fast-thinking. It's not yes/no whether standards are followed strictly. He suggests that new standards be put together by the community as we have to work within the bounds of what the community wants. He has had several applications approved relating to landscaping; he does not know of any changes made without applying to the ACC. He acknowledged the need to remove the pruning debris that is on the open space side of his fence and plans to get it done.

5. Appointment of ACC

MA first asked if the board was ready to make a decision about the appointment of the ACC, and all agreed to move forward. Discussion about the five candidates (Scott Abrahamson, Larry Becker, Steve Flannery, Barbara Stager and Bob Uhler) centered on having all new members on the ACC to take a fresh look at the Architectural and Landscaping Standards versus continuity with the Interim ACC.

Motion made by MA to appoint the four new applicants (Scott Abrahamson, Larry Becker, Barbara Stager, and Bob Uhler) to the SEHOA Architectural Control Committee (ACC), with the appointment of Bob Uhler not taking effect until the other three members have rendered an opinion on the Uhler application regarding trees on the Flannery property, such opinion to be completed by October 9, 2018 unless the ACC requests more time or the application is otherwise resolved. Two of the members are appointed for one-year terms and two are appointed for two-year terms, which they can decide themselves. Following the initial one- and two-year terms, the positions will be refilled by members serving staggered two-year overlapping terms thereafter. Seconded by PH. (Please see note below.)

Amendment to motion made by AC to appoint all five applicants (including Steve Flannery) to the ACC with the appointment of Bob Uhler and Steve Flannery not taking effect until the other three members have rendered an opinion on the Uhler application relative to trees on the Flannery property, such opinion to be completed by October 9, 2018 unless the ACC requests more time. Amendment seconded by KS. AC and KS vote yes, MA and PH vote no, amendment fails.

Vote on original motion is MA, PH, and KS vote yes, AC votes no, motion passes.

Steve Flannery suggested that the terms be longer than one and two years. The board may set the term length at will, so decided to set the shorter terms in the motion during this time of transition.

6. 2018 Budget

PH presented a budget for 2018, showing income and expenses year to date and projections to year end. Expenses incurred by SHOA on SEHOA's behalf were estimated based on the work of the joint finance sub-committee of the two boards. As SHOA is holding SEHOA funds, these expenses were assumed to be paid out of these funds, so that the amount is shown as both income and expense.

Motion made by PH to approve 2018 budget as presented, seconded by MA, passed unanimously.

Further discussion to add \$1,025 to the budget for insurance to cover adding a \$10 million umbrella liability policy in Q4.

Motion made by AC to add \$1,025 to insurance line item to cover the cost starting October 1, 2018 of a \$10 million umbrella liability policy, seconded by MA, passed unanimously.

Al Orendorff was instructed to talk to the insurance agent to arrange this additional coverage.

7. Scope/Deliverables for potential Landscape & Irrigation Committee

MA presented a draft scope and deliverables document for a potential committee. He will ask for volunteers at the September 17 homeowner meeting. The board agreed that clarification is needed on property ownership and water rights before tasks related to a master plan are started. Decision tabled whether this should be a Committee or Study. PH to inform landscape architects that have submitted master plan proposals that we will consider those proposals after key uncertainties are resolved.

8. September 17 Homeowner Meeting and Moving Forward Party

Richelle Burnett is organizing the event. The plan is for the first half hour to be socializing with drinks and appetizers. Discussed ideas for decorations. Board presentation will take place after social time. MA to send out final email reminding homeowners of meeting and asking people to bring food or drinks. Richelle will try to

meet new homeowners and invite them to come. PH to give her list of new homeowners.

9. Property Manager Report

Al Orendorff gave a report on accounts receivables. Five members are more than 60 days delinquent. One member is severely delinquent and Al was instructed to send a formal Notice of Delinquency letter, then turn the account over to legal for collection and possible lien if not resolved. Board agreed to waive \$25 late fee for Sanden as he paid for two quarters in advance, along with his third quarter dues. Q4 invoices will go out in mail shortly.

Various maintenance and repair items were reviewed. Ditch water is expected to run until September 26 or a few days longer if we reduce consumption. Per the Boulder White Rock (BWR) records, the combined HOAs have used 80.5 acre-feet of water this season, whereas our measurements show only 33.4 acre-feet. This discrepancy needs to be resolved before next year. We also discussed putting together a request for proposal (RFP) for separate SEHOA service contracts for 2019. PH will meet with Al the last week in September to review the budget assumptions for 2019.

10. Other Business

Discussion of Guiding Principles documents postponed until SR is back in town.

11. Next Meeting

The next meeting is Tuesday, September 25 at 6.30 pm at Niwot Fire House. The first hour is SEHOA only, followed by a joint meeting with the SHOA Board.

12. Adjourn

The meeting adjourned at 8:45 pm.



Paula Hemenway
September 14, 2018

Note on Motion to appoint ACC: An objection was raised on September 12, 2018 by a homeowner in attendance at the meeting that the motion did not specifically state the names of the people that we were appointing to the ACC, only that we were appointing four instead of five. To avoid any doubt, the language of the motion in these minutes was reviewed by the three board members that voted in favor of the motion, and all concurred that this was their understanding of the motion. The email record of the board's confirmation of the approval of this motion is available upon request of any homeowner.