

**Minutes of Annual Meeting of Homeowners
Somerset Estates Homeowners Association (SEHOA)
March 19, 2019
Niwot High School, Niwot CO**

1. Call to Order and Quorum

The meeting was called to order at 7:05 PM. 38 homes were represented in person or by proxy (out of 89 homes in Somerset Estates) or 43%, establishing a quorum of at least 20%.

2. Proof of Notice and Approval of March 20, 2018 Meeting Minutes

The Annual Notice was mailed to all members on February 13, 2019 and was available for inspection at the meeting (attached). The founding meeting of SEHOA was held on March 20, 2018. Minutes for that meeting were also mailed to owners, and were approved unanimously.

3. First Year Review

Marc Arnold, SEHOA President, gave a presentation outlining the major accomplishments in the first year of SEHOA, highlighting passage of an amended Declaration by a vote of 91% of all members, and the preparation and passing of the 2019 budget, with the annual dues increase from \$1300 to \$2500 supported by 90% of those who voted. Marc thanked homeowners for their support throughout the year.

Also highlighted and recognized was the work of the Landscaping and Irrigation Study Group, the Interim Architectural Control Committee (ACC), and the Social Committee.

Significant interaction with Somerset Homeowners Association (SHOA) was required during the year to ensure ongoing operations and appropriate allocation of funds held by SHOA attributable to SEHOA homeowners. A Memorandum of Understanding (MOU) was signed on 11/27/18 between SEHOA and SHOA to ensure this was all dealt with fairly, and SHOA paid \$79,101 to SEHOA to account for the split of financial assets. Most expenses are being paid separately in 2019, with a limited MOU with SHOA signed on 2/20/19 to cover continuing services and remaining comingled expense allocation.

The Executive Board approved policies to ensure SEHOA is compliant with the Colorado Common Interest Ownership Act (CCIOA). After seeking homeowner input, the ACC (appointed in September 2018) proposed and the Board approved new Architecture and Landscaping Standards on 3/12/19.

The outgoing Board intended to present a vote to homeowners regarding whether or not to merge with SHOA, initially by December 2018, then by March 2019. This did not happen as various steps required in advance of a merger vote were not completed by SHOA. Therefore, the Board focused on stabilizing relationships with SHOA and ongoing management of SEHOA as a stand-alone entity, leaving open the option of a merger in the future, but taking it off the table for now.

4. Current Status and 2019 Priorities

- New Policies, Standards and Rules were approved by the Executive Board (except for one CCIOA policy relating to Reserve Study and some Rules as described in the Declaration).
- The results of the Architectural and Landscaping Standards homeowner survey were shared. This survey was used to help prepare the final, approved version of Architectural and Landscaping Standards for SEHOA.
- Water issues are being explored by a Water Committee. A water attorney has been retained and a “tolling agreement” was put in place with SHOA on 3/12/19 to preserve the rights of SEHOA (and SHOA) regarding water rights until a comprehensive agreement can be reached with SHOA.
- Financial status: The 2018 year-end cash balance was \$116,674. The cash balance as of this annual meeting was \$134,000. The 2019 budget is \$223,615 (income and operating/capital expenses).

The 2019 priorities will be for the new Board to determine; however, the outgoing Board recommends:

- Development of a long-term water plan.
- Completion of Policies, Standards and Rules.
- Restoration and beautification efforts for the common areas. In 2019, these will be modest until we have a master plan and comprehensive strategy to upgrade common areas, which in turn will be defined once the water plan is determined.

5. Water Committee Report

The Water Committee appointed by the Board includes John Ryan, Bob Uhler, Marc Arnold, and Paula Hemenway. Marc reported on the current situation. Issues to resolve include water rights ownership as between SHOA and SEHOA and whether any change of use is needed. As a good working relationship has been established with SHOA, and a fair settlement achieved on other matters, we anticipate a sensible and fair resolution on water rights. The goal is to secure long-term rights to use water adequate and appropriate for maintenance of SEHOA common areas. SEHOA has engaged Dietz & Davis as the water attorney firm, with Lamp Rynearson sub-contracted as water engineering firm. Eliminating or reducing SEHOA’s water rights risk could be time-consuming and costly. Homeowners will be kept informed as the plan is developed, including the costs involved.

6. ACC Update

The ACC consists of Larry Becker (chair), Scott Abrahamson, Barbara Stager, and Bob Uhler. The ACC conducted a survey of homeowners regarding ACC issues, with results posted on the SEHOA website. The ACC established a mediation process on view corridor discussions between homeowners to restore views in a cooperative, neighborly method to maintain or improve property values. New Architectural and Landscaping Standards are now in force. Homeowners were reminded to seek ACC approval for improvements, including any renovation or maintenance change that was done without ACC approval. The ACC will be conducting a maintenance walk through

of the neighborhood this spring and will inform homeowners of issues observed from the street or common areas relative to the ACC standards.

7. Statements from Candidates for the Board and Candidate Q&A

Three Board members did not run for reelection: Anthony Chirikos, Kip Sharp and Susan Reilly. They were thanked for their service. Two Board members, Marc Arnold and Paula Hemenway, indicated a willingness to continue to serve. Prior to the meeting, owners were given the opportunity to have their name placed on the ballot, and Marc Arnold, Paula Hemenway, Bill Harris, Mark Jensen and Herb McPherson did so. Candidate statements from each were published in the SEHOA What's Up newsletter. At the meeting each candidate made a brief statement (Marc Arnold presented a statement from Bill Harris as he could not attend the meeting) and owners were given the opportunity to ask questions. Owners were given the opportunity to be nominated from the floor, but no additional candidates came forward.

8. Board Election

Voting was done by secret ballot. Owners Pete Withnell and Anthony Chirikos volunteered to count the ballots and were so appointed by Marc Arnold, SEHOA President. The recorded vote tally was as follows:

Marc Arnold, Bill Harris, Paula Hemenway, and Mark Jensen each received 37 votes; Herb McPherson received 36 votes; 1 write-in vote was for an invalid candidate. All five candidates were thus duly elected. As the Bylaws require staggered terms, three will serve for two years and two will serve for one year, as the Board members determine.

9. Member Open Forum

No further discussion.

The meeting was adjourned at 8:30 PM.



Paula Hemenway
SEHOA Secretary

Somerset Estates Homeowners Association Annual Notice to all Members

February 13, 2019

Dear Somerset Estates Homeowner,

The following information about the Association and its designated agent must be provided to all Members of the Association as part of each Annual Meeting Notice. Also enclosed are the minutes of the initial meeting of the Association on March 20, 2018.

NAME OF ASSOCIATION: Somerset Estates Homeowners Association Inc.

ASSOCIATION'S DESIGNATED AGENT: Trio Property Management – Allan Orendorff

MAILING ADDRESS: PO Box 208, Niwot, CO 80544

TELEPHONE AND FAX NUMBER: Telephone: (303) 415-2054 Fax: (303) 652-2161

EMAIL ADDRESS: TrioProperty@comcast.net

NAME OF COMMON INTEREST COMMUNITY: Somerset Estates

**RECORDING INFORMATION OF CONSOLIDATED, AMENDED AND RESTATED DECLARATION FOR
SOMERSET ESTATES:**

Records of Office of the Clerk & Recorder of Boulder County - Reception No. 03671599 recorded on August 16, 2018

If you should have any questions or concerns, please do not hesitate to contact our office.

Sincerely,

Allan R. Orendorff, CMCA
President
Trio Property Management