

Somerset Estates Homeowner Association
Third Annual Homeowner Meeting

Welcome

March 16, 2021, 7:00pm
Conducted via Zoom

Somerset Estates Homeowners Association

Executive Board

Marc Arnold*

Scott Abrahamson

Paula Hemenway*

Mark Jensen*

Herb McPherson

* Term Expires Tonight

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

Architectural Control Committee

Larry Becker, Chairman

Barbara Stager

Bob Uhler

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Water Committee

John Ryan, Chairman
Anthony Chirikos

Marc Arnold*
Paula Hemenway*

* Ex officio

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Welcome Committee

Anita Harris

Kamla Chopra

Beth Ryan

Richelle Burnett

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

Agenda

- (1) Call to Order / Quorum / Proof of Notice
- (2) Approve Prior Minutes (March 10, 2020)
- (3) Update by Current Board (2020 Year in Review)
- (4) Ratification of 2021 Budget
- (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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Covid/Zoom Voting Procedures

(Minutes, Budget, Election)

Motion / Second
Questions / Comments
Unmute / Voice Vote

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(2) Approve Prior Minutes

(March 10, 2020)

Motion / Second

Questions / Comments

Unmute / Voice Vote

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(3) Update by Current Board (2020 Year in Review)

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2020 Year in Review

- A. Looking Back: 2020 Aspirations
- B. SHOA Settlement Agreement
- C. Comprehensive Water Plan
- D. Long Range Plan
- E. 2021 Special Assessment
- F. Common Area Improvements
- G. Architectural Control Committee
- H. Plans for 2021

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A. Looking Back: 2020 Aspirations

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2020 Priorities – from 2020 Annual Meeting

Homeowner Input
Opportunity

Split Water Rights

COMPLETED

Propose Terms to
SHOA

Negotiate Settlement

Authorize /
Execute
Agreement

PENDING

Develop and Execute Water Plan

Develop
Comprehensive
Water Plan

Propose
Water Plan
w/ Budget

Approve and
Execute
Water Plan

**NOT
COMPLETED**

Restoration / Beautification

Execute Near-
Term Projects

COMPLETED

Validate Long Term Water

COMPLETED

Develop Long Term Reserve Study
Ponds / Paths / Fences / Trees and
Landscaping / Monuments

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B. SHOA Settlement Agreement

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SHOA Settlement Terms

- Splits water rights ~ 50/50
- Resolves Outlot ownership
- Grants easement for water transfer from SHOA to SEHOA
- Cost sharing agreement on jointly used water infrastructure

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Settlement Status

- Approved by both Boards
- SHOA is seeking 67% homeowner approval – in progress (April 5 deadline)
- Memorandum of Understanding (MOU) in effect through end of 2021
- Litigation Tolling Agreement in effect through May 15, 2021
- Expectation the two HOAs will remain separate

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C. Comprehensive Water Plan

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Comprehensive Water Plan

- Assuming Settlement approved...
- SHOA Settlement assigns ownership of water rights
 - Gives us a “seat at the table” with ditch companies
- Settlement with SHOA will not solve all our water issues:
 - Inadequate supply – must rely on leased water
 - Our owned water rights may require additional proceedings to permanently secure our ability to use them as intended
- Long-term efforts could be Time-Consuming and Costly
- Periodic Updates via Newsletter

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D. Long Range Plan

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Long Range Plan Process

- Reviewed all current common assets
- Projected replacement cost, useful life and remaining useful life of each asset
- Modeled future expenditures and funding needed to maintain status quo over next 20+ years
- LRP does not bind future boards: They will continue to exercise judgement and discretion
- Did not include allocation for major water rights purchases

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Long Range Plan Finding

Assuming No Special Assessment... Would have required Debt

orange = enter data

Annual Growth in Dues	3.0%
Annual Growth in Expenses	2.0%
2021 Assessment (1-time)	\$ -
Peak Debt Required	\$ 276,780

Does NOT include Water Rights Reserve
For Contingent Liability

DEBT REQUIRED

Very Poor

Percent of Reserve Funded (100%=Ideal)



We Remain @ Poor
Throughout Plan Period

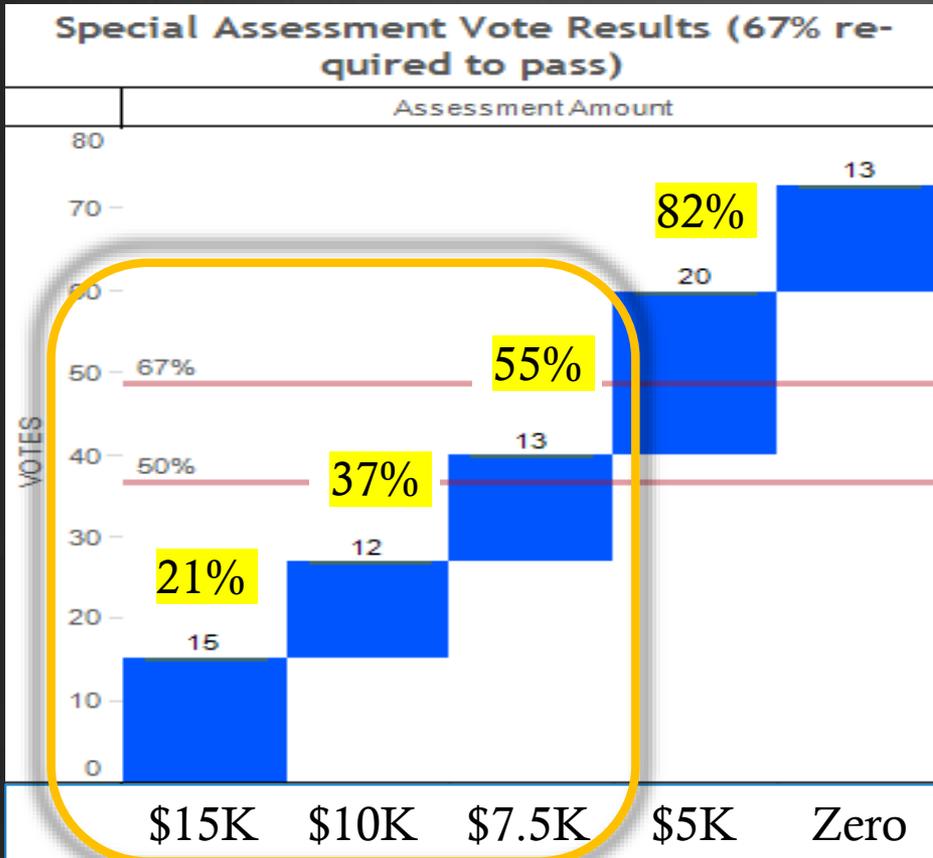
19 Years to Fair

E. 2021 Special Assessment

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2021 Special Assessment

➤ Members voted on range of options: \$0 to \$15,000



73 (82%) Voted (+2 ineligible)

>50% voted for \$7,500 or more

67% required to pass.

Result: \$5000 approved

\$2500 due April 1, 2021 \$2500 due
October 1, 2021

(All \$5,000 up front welcome)

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SA Approved: \$5,000

Percent of Reserve Funded (100%=Ideal)



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F. Common Area Improvements

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Common Area Improvements

- Complete Rebuild of Pond 8
- Major Repair of Pond 7
- Fence Staining along Somerset Dr and Longview Dr
- Extensive Repair of irrigation system (still in progress)

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Pond 8 Restoration

- Pond 8 Task Force
- Comprehensive Review of Options w/ Professional Engineering & RFP
- Contracting / Execution
- Documented After Action Report

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Pond 8 – Before and After



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Perimeter Fence Staining – Before and After



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G. Architectural Control Committee (ACC)

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ACC 2020 in Review (1)

- Approved 37 requests from homeowners
 - Majority of requests: Landscaping/plantings, painting, swimming pool & hot tub installations, new decking, hardscape, fencing, and fire pits.
- Continued mediation process for view corridors
 - “Culture of Cooperation” gaining traction
 - Discussion between Homeowners for a cooperative, neighborly means to restore views and maintain/improve property values.
- Revised Architectural and Landscaping Standards
 - Rev 2 Posted on the SEHOA website

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ACC 2020 in Review (2)

- Conducted a twice per year Maintenance Compliance Notification Program
- Issued fewer compliance reminders this year with just 20% of the homeowners receiving notice and 90% timely compliance
- Majority of the compliance issues were related to trimming vegetation resulting in a great reduction in vegetation hanging on fences.
- Homeowners have been very supportive and cooperative in this process.
- To All Somerset Estates Homeowners: THANK YOU!

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2021 Maintenance Compliance

- Next ACC Neighborhood Walk Through will be conducted early this spring
- ACC will photograph and document any concerns
- ACC will not walk onto SE homeowner properties
 - Observations will be from common area, roadways, and pathways surrounding the property
- ACC desire is to continue to promote the value of neighborly cooperation and relations

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ACC 2021 Goals

- Work with the SEHOA Board to establish and implement vegetation standards around street monuments
- Protect the HOA fences from vegetation encroachment and bottom rail rock/mulch pressure causing bulging
- Continue to support “Culture of Cooperation” voluntary protection or re-opening of mountain view corridors.
- Continue to improve the house curb appeal compatible with existing or pruned vegetation. Pressure to reduce or trim vegetation so growth is not accumulatively dense
- Develop more defined standards for outbuildings and exterior structures as post-COVID is putting more demands on office and storage space

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H. Plans for 2021

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Strategic Shift

- Initial Formation Now Complete
 - Newly Formed in 2018 / Novel Issues
- Moving Forward: Refine and Upgrade Regular Ongoing Operations
- Implement Long Range Plan
- Long-term Focus on Water

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Q&A

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(4) Ratification of 2021 Budget

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Top Level Summary

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Proposed 2021 Budget: Summary

	Approved <u>2020</u> BUDGET	2020 Through Dec 31	Variance	Draft <u>2021</u> BUDGET	
INCOME and EXPENSE SUMMARY					
<u>TOTAL INCOME</u>	241,300	296,570	55,270	241,300	
<u>OPERATING EXPENSES</u>					
<u>TOTAL OPERATING EXPENSES</u>	140,525	146,962	6,437	163,100	11.0%
<u>TOTAL CAPITAL EXPENSES</u>	102,775	156,997	54,222	213,460	36.0%
TOTAL EXPENSES	243,300	303,959		376,560	23.9%
TOTAL INCOME - TOTAL EXPENSES		(5,663)		(134,460)	

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2021 Capital Projects (\$213,000)

CATEGORY	SPECIFIC PROJECTS	ESTIMATED COST
WATER RIGHTS MANAGEMENT	Final legal costs Quiet title on Outlots	\$13,000
WATER SYSTEM INFRASTRUCTURE	Transfer line from Pond 1 Mag meter from ditch	\$61,000
IRRIGATION SYSTEM	Major repairs	\$15,000
WATER FEATURES	Pond liner repairs	\$12,000
WATER PROFESSIONAL FEES	Overall system consulting Operations manual	\$25,000
HARDSCAPE	Longview to Primrose path Monument repairs	\$77,000
SOFTSCAPE	Master Landscape Plan	\$10,000

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Operating Budget		
Revenue from Dues		\$241,300
Less Operating Expenses		<u>(\$163,100)</u>
Excess of Revenues over Expenses		\$78,200
Reserves Budget		
Starting Cash	<u>\$107,633</u>	
Plus Special Assessment	<u>\$445,000</u>	\$552,633
Less Capital Expenditures		<u>(\$213,000)</u>
Excess of Reserves over Expenditures		\$339,663
Contribution of Excess Operating Funds		\$78,200
Plus Interest Income		<u>\$800</u>
Projected Cash Balance at Year-end		<u>\$418,663</u>

Budget Ratification Vote

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

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

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(5) Candidate Statements and Q&A

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Board Composition

- Five Member Board / Staggered Terms
- Herb McPherson Elected in 2020 for 2-year term (Mar 2022)
- Michael Sims Elected in 2020 for 2-year term, withdrew
 - Scott Abrahamson appointed to refill rest of term
- Three Terms Expiring Tonight
 - Marc Arnold, Paula Hemenway, Mark Jensen
- Three Candidates to Fill Vacancies
 - Paula Hemenway, Pea Lawson, Steve Lehan

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Paula Hemenway

- Current SEHOA Board Member and Secretary
- Elected to Board in 2018 and re-elected in 2019
- Homeowner with Jim since 2014
- Former Board Member of Multiple Community Organizations
- Build on SEHOA accomplishments so far

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Pea Lawson

- Resident with Marcos for almost 2 yrs
- Active as parent volunteer at Boulder Country Day School
- Experience in event planning
- Wants to be involved in the community and get to know people, especially within Somerset Estates
- Wants to help SEHOA improve its aesthetics through maintenance and upgrading of the infrastructure

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Steve Lehan

- Resident with Lisbeth for 14 yrs
- On SSTC board for 12 years
- Volunteers as baseball and basketball coach
- Active in local groups and causes
- Wants to help SEHOA transition from getting established to quality of life

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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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(8) Adjourn

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Next Meeting

Executive Board Meeting
Tuesday, April 13, 6:30
Via Zoom

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Thank You

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2021 Budget Detail

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Income

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Proposed 2021 Budget: Income (Dues Increase 0%)

	Approved	2020	Variance	Draft
	<u>2020</u>	Through Dec 31		<u>2021</u>
	BUDGET			BUDGET
<u>INCOME</u>				
Prepaid Assessments	0	11,539	11,539	0
Prepaid Special Assessment	0	35,000	35,000	
Homeowner Dues	240,300	242,150	1,850	240,300
Fines	0	4,500	4,500	0
Late Fees/Finance Charges	0	610	610	0
Transfer Fee Income	0	1,000	1,000	0
Member Service Reimbursement	0	770	770	0
Miscellaneous Income (<i>Water Feature Subsid</i>)	1,000	1,000	0	1,000
<u>TOTAL INCOME</u>	241,300	296,570	55,270	241,300

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Operating Expenses

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Proposed 2021 Budget: Opex Summary

	Approved 2020 BUDGET	2020 Through Dec 31	Variance	Draft 2021 BUDGET	
<u>OPERATING EXPENSES</u>					
Total Administrative	34,675	31,099	(3,576)	42,100	
Total Landscape Maintenance	69,300	87,761	18,461	87,900	
Total Infrastructure Maintenance	21,050	12,593	(8,457)	14,900	
Total Utilities	15,500	15,508	8	18,200	
<u>TOTAL OPERATING EXPENSES</u>	140,525	146,962	6,437	163,100	11.0%

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Proposed 2021 Budget: Admin

		Approved	2020	Variance	Draft
		2020 BUDGET	Through Dec 31		2021 BUDGET
<u>OPERATING EXPENSES</u>					
Administrative					
	Accounting Fees	250	263	13	270
	Bank Charges & Fees	0	59	59	60
	Business filing Fees	25	38	13	40
	Insurance	8750	11154	2404	9000
	Legal	5000	1905	(3095)	2500
	Meeting Expense	200	0	(200)	200
	Miscellaneous	2000	1220	(780)	1250
	Office Expense & Supplies	250	0	(250)	250
	Postage & Delivery	600	457	(143)	480
	Printing & Reproduction	1200	673	(527)	690
	Property Manager Fees	14000	12900	(1100)	13800
	Supplemental Property Management	0			10000
	Property Transfer Fee	0	750	750	0
	Storage	1200	0	(1200)	1200
	Taxes	0	51	51	60
	Web-site Hosting/Domain/Cloud Storage	1200	1630	430	2300
	Total Administrative	34675	31099	(3576)	42100

Proposed 2021 Budget: Landscape Maint

		Approved	2020	Variance	Draft
		2020 BUDGET	Through Dec 31		2021 BUDGET
Landscape Maintenance					
	Gardens/Flowers	8000	9544	1544	9700
	Aeration	600	588	(12)	588
	Clean-up Spring/Fall	3000	3032	32	3032
	Holiday Decoration	2000	2828	828	3000
	Irrigation Maintenance	13000	31925	18925	20000
	Lawn Fertilization/Weed Control	7000	7510	510	7700
	Miscellaneous Landscape	600	1512	912	1500
	Mowing - Irrigated	15800	15260	(540)	14170
	Mowing - Non-irrigated	2000	1005	(995)	2010
	Shrub Pruning	2000	440	(1560)	3440
	Snow Removal	2500	6268	3768	6400
	Trash Removal & Dump Fees	1800	1530	(270)	2000
	Tree Maintenance (Fertilizer & Bug Control)	2000	515	(1485)	500
	Tree Trimming and Removal	9000	5353	(3647)	12000
	Vacant Lot Mowing	0	20	20	0
	Weeding Gardens	0	432	432	1860
	Total Landscape Maintenance	69300	87761	18461	87900

Proposed 2021 Budget: Infrastructure Maint

		Approved	2020	Variance	Draft
		2020 BUDGET	Through Dec 31		2021 BUDGET
Infrastructure Maintenance					
Electrical/Light Maintenance		2000	620	(1380)	630
Fence Maintenance		0		0	1000
Miscellaneous Maintenance		350	208	(142)	220
Path/Sidewalk Maintenance		500	830	330	850
Pond Maintenance (cattail/reed removal)		10500	9715	(785)	10000
Pump Maintenance		2000	0	(2000)	1000
Utility Locating		700	1220	520	1200
Waterfall Maintenance		5000	0	(5000)	0
Total Infrastructure Maintenance		21050	12593	(8457)	14900
Utilities					
Electricity		12000	14339	2339	14700
Water - Ditch fees		500	422	(78)	500
Water - Leased		3000	747	(2253)	3000
Total Utilities		15500	15508	8	18200

Capital Expenses

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Proposed 2021 Budget: Capex Summary

	Approved 2020 BUDGET	2020 Through Dec 31	Variance	Draft 2021 BUDGET	
<u>CAPITAL EXPENSES</u>					
Total Water Rights Management	65,000	16,206	(48,794)	13,000	
Total Water System Infrastructure				61,200	
Total Water System Irrigation				15,000	
Total Water Features (Ponds 3, 7, 8)	0	106,064	106,064	12,000	
Total Water Systems Professional Fees	0			25,000	
Total Hardscape capital expenses	27,775	34,727	6,952	77,060	
Total Softscape capital expenses	10,000		(10,000)	10,200	
TOTAL CAPITAL EXPENSES	102,775	156,997	54,222	213,460	36.0%

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Proposed 2021 Capex Budget: Water Rights & Infrastructure

	Approved	2020	Variance	Draft
	2020 BUDGET	Through Dec 31		2021 BUDGET
Water Rights management				
Legal - Other				
Total Water Rights Management	65,000	16,206	(48,794)	13,000
Water System Infrastructure				
Transfer line from Pond 1 to Pond 2				40,800
Mag Meter on BWR ditch				7,140
Pressure regulation to separate SEHOA/SHOA irrigation				6,120
Pond 1 transfer line pump				7,140
Total Water System Infrastructure				61,200

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Proposed 2021 Capex Budget: Water Irrigation, Features, Prof Fees

	Approved 2020 BUDGET	2020 Through Dec 31	Variance	Draft 2021 BUDGET
Water System Irrigation				
Irrigation Major Repairs				15,000
Total Water System Irrigation				15,000
Water Features				
Total Water Features (Ponds 3, 7, 8)	0	106,064	106,064	12,000
Water System Professional Fees				
Water Systems Consulting - Project Planning/Mgmt				10,000
Water Systems Other (Service Manual)				15,000
Total Water Systems Professional Fees	0			25,000

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Proposed 2021 Capex Budget: Hardscape and Softscape

	Approved	2020	Variance	Draft
	2020 BUDGET	Through Dec 31		2021 BUDGET
Hardscape (Fences, Paths, Monuments)				
Fence Refurbishment and Replacement	27,775			0
Longview hardscape refurb (sidewalk to fence)				5,000
Fines gravel path from Longview to Primorse				30,600
Major repairs of entrance monuments at Hwy 52				23,460
Major repairs of one-third of street monuments				18,000
Total Hardscape capital expenses	27,775	34,727	6,952	77,060
Softscape (Trees, Vegetation)				
Master plan for landscaping				10,200
Cyclical Landscape Refurbishment	10,000	0		0
Cyclical Tree replacement				0
Total Softscape capital expenses	10,000		(10,000)	10,200