

Somerset Estates Homeowner Association
Fourth Annual Homeowner Meeting

Welcome

March 29, 2022, 7:00pm

Somerset Estates Homeowners Association

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

Executive Board

Scott Abrahamson*

Paula Hemenway

Pea Lawson

Steve Lehan

Herb McPherson*

* Term Expires Tonight

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Architectural Control Committee

Larry Becker, Chairman

Randy Haisfield

Barbara Stager

Bob Uhler

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Water Committee

John Ryan, Chairman

Marc Arnold

Anthony Chirikos

Scott Abrahamson*

Paula Hemenway*

* Ex officio

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Social and Welcome Committee

Richelle Burnett
Kamla Chopra
Anita Harris
Diane Jensen
Melissa Koller
Pea Lawson (Board rep)
Susie Lindau
Beth Ryan

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Agenda

- 1) Call to Order / Quorum / Proof of Notice
- 2) Ratification of 2022 Budget
- 3) Approve Prior Minutes (March 16, 2021)
- 4) Update by Current Board (2021 Year in Review)
- 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 2022 Budget

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2021 Actuals and 2022 Budget Summary

	Approved 2021 Budget	2021 Actuals	Variance	Proposed 2022 Budget
REVENUE				
Operating Revenue	\$241,300	\$243,349	\$2,040	\$247,975
Reserves Revenue	\$445,800	\$457,852	\$12,052	\$4,570
Total Revenue	\$687,100	\$701,201	\$14,101	\$252,545
EXPENSES				
Operating Expenses	\$163,100	\$137,887	\$25,500	\$157,900
Capital Expenses	\$213,000	\$212,713	\$287	\$198,500
Total Expenses	\$376,100	\$350,600	\$25,500	\$356,400
REVENUE - EXPENSES	\$311,000	\$350,601	\$39,601	(\$103,855)

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Balance Sheet

Operating Account Balance as of 12/31/21	\$46,273
Reserves Account Balance as of 12/31/21	\$413,591
Combined Balance as of 12/31/21	\$459,864
Projected for 2022:	
Plus Excess of Operating Revenue over Expenses	\$90,075
Less Deficiency of Reserves Revenue over Expenses	(\$193,930)
Projected Combined Balance as of 12/31/22	\$356,009

- Budget is treated like it is two separate funds
 - Operating
 - Reserves
- But there is only one set of books
 - All revenue and expenses flows through the Operating Account.
 - Funds are moved between the two accounts as needed to pay expenses and to maximize interest on reserve funds.

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2022 Operating Budget

CATEGORY	DETAILS	BUDGET
REVENUE	Dues @\$700/qtr starting Q2	\$247,975
EXPENSES:		
Administrative	Insurance, Legal, Property Mgmt, Website & Storage, etc.	\$40,420
Landscape Maintenance	Irrigation, Mowing & Fert, Trees, Flowers, Snow Removal	\$72,640
Infrastructure Maintenance	Electrical, Fence, Paths, Ponds	\$22,340
Water & Utilities	Electricity, Water Ditch & Lease	\$22,500
TOTAL		\$157,900

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2022 Capital Budget

CATEGORY	SPECIFIC PROJECTS	ESTIMATED COST
WATER SYSTEM INFRASTRUCTURE	Upgraded meter on ditches Irrigation modifications Pump house refurbishment	\$40,000
IRRIGATION SYSTEM	Major repairs	\$15,000
WATER FEATURES	Pond liner repairs	\$10,000
WATER PROFESSIONAL FEES	Operations manual	\$12,500
HARDSCAPE	Fence refurbishment Path repaving Monument repairs Lighting replacement	\$116,000
SOFTSCAPE	Cyclical landscape refurbishment	\$5,000
TOTAL		\$198,500

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 16, 2021)

Motion / Second
Questions / Comments
Unmute / Voice Vote

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4) Update by Current Board
(2021 Year in Review)

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2021 Year in Review

- A. 2021 Aspirations
- B. SHOA Settlement Agreement
- C. Comprehensive Water Plan
- D. Long Range Plan and Special Assessment
- E. Common Area Improvements
- F. Insurance Update
- G. Road Situation
- H. Social and Welcome Committee Update
- I. Architectural Control Committee Update

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A. 2021 Aspirations: Strategic Shift

- Initial Formation 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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B. SHOA Settlement Agreement

- 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

- Agreement executed June 21, 2021
- Ownership of water shares transferred to SEHOA
- Cash settlement of \$14,125 to SEHOA
- Quiet Title on SEHOA Outlots in progress

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C. Comprehensive Water Plan

- Water rights ownership gives SEHOA a “seat at the table” with water companies
- SHOA Agreement does 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 potentially Time-Consuming/
Costly
- Periodic Updates via Newsletter

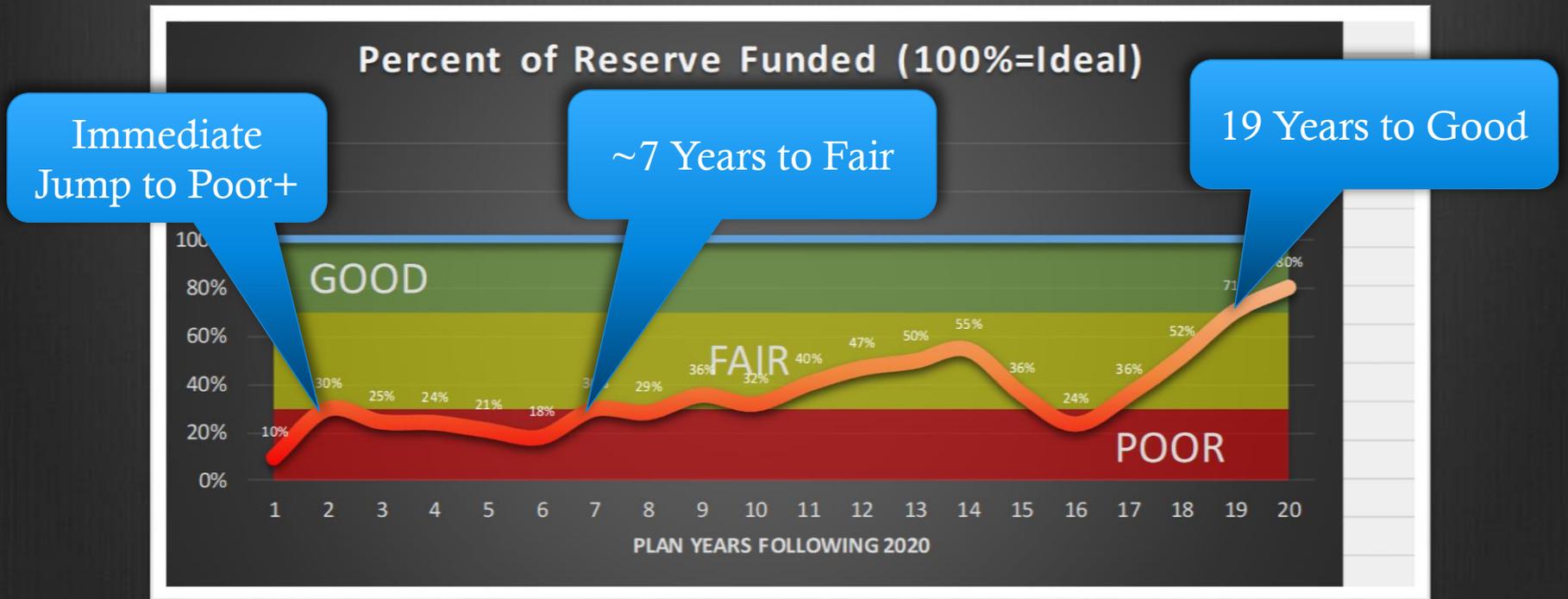
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D. Long Range Plan Process and Special Assessment

- 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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\$5000 Special Assessment Paid in 2021



This model will be periodically updated as capital costs and timing are firmed up.

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E. Common Area Improvements

- Completed new transfer line and pump from Pond 1 (SHOA) to Pond 2 – Separates irrigation systems
- Paved path from Longview to Primrose, including repaving feeder paths and repairing drainage swale next to main path
- Cleaned up and refurbished landscaping around Ponds 2 and 3 and next to some fences; Removed dead and dying trees on Outlot D
- Raised spruce trees next to street monuments
- Added dog waste stations
- Repaired major underground leaks in irrigation system

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F. Insurance Update

- Increased property coverage limits
- Added warning signs by ponds
- Increased D&O and Fidelity coverage
- Increased Umbrella liability coverage
- Overall reduction in premiums

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G. Road Situation

- Roads are owned by Boulder County
- At or beyond useful life
- County will not rebuild
- Homeowner survey on whether to consider Public Improvement District:
 - >60% response rate
 - 65% “yes” to initiating non-binding negotiations with County
 - 35% “no”
 - Discussions started, but hard to engage County

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H. Social and Welcome Committee

- Pool party in August (plan earlier this year)
- Party at Becker's in September
- Welcome baskets distributed
- Seeking Directory Information

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I. Architectural Control Committee (ACC)

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ACC Main Goal

- Maintain & Improve Value of Homeowner Property in Somerset Estates

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ACC Main Functions

- Architecture and Landscape Review Requests
 - Approved 17 various requests from homeowners last year.
 - Majority related to exterior home improvements including 1 new home build.
- Maintenance Compliance Program
 - Ensure SE community continue to maintain strong SE curb appeal with pruned vegetation and well-maintained yards and structures including SE Common Areas
- 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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ACC Maintenance Compliance Program

- ACC neighborhood walk through - around late April.
- ACC members will attempt to photograph and date any concerns without walking on SE Homeowner property.
- Early homeowner action: to cut back trees and shrubs adjacent to or overlapping fences and walkways will save cost and avoid compliance notices.
- SE homeowners have been very supportive and cooperative in this process. THANK YOU!!

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Q&A

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(5) Candidate Statements and Q&A

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Board Composition

- Five Member Board / Staggered Terms
- Paula Hemenway, Pea Lawson, and Steve Lehan elected in 2021 for 2-year terms (Mar 2023)
- Two Terms Expiring Tonight
 - Scott Abrahamson, Herb McPherson
- Two Candidates to Fill Vacancies
 - Scott Abrahamson, Anthony Chirikos

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Scott Abrahamson

- Current SEHOA Board Member and President
- Appointed to Board in 2020 and elected in 2021
- Homeowner with Candace since 2018
- ACC Member from 2018 to 2020
- Goals to oversee completion of capital projects and help community continue to improve

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Anthony Chirikos

- Former SEHOA Board Member and VP from 2018-2019
- SHOA Board Member from 2015-2018
- Homeowner with Wendy since 2013
- Water Committee Member
- Goals to protect uniqueness of neighborhood and assist with current projects and issues

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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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Thank You!

Tim and Melissa Koller
Herb McPherson

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