

**Minutes of Meeting of the Executive Board of  
Somerset Estates Homeowners Association (SEHOA)  
February 9, 2021  
By Video Conference, Niwot CO**

- 1. Call to Order and Quorum** - The meeting was called to order at 6:32 PM. Quorum met for Executive Board meeting with Scott Abrahamson (SA), Marc Arnold (MA), Paula Hemenway (PH), Mark Jensen (MJ), and Herb McPherson (HM) present. Due to the coronavirus pandemic, the meeting was held by video conference (Zoom). The Zoom link was posted on the website more than a day before the meeting.

Property Manager present – Al Orendorff (AO)

Homeowners present – Steve Flannery

ACC members present – Larry Becker, Barb Stager, Bob Uhler

- 2. Approval of Prior Meeting Minutes** – MOTION to approve minutes from the Meeting of the Executive Board on January 12, 2020, as edited, made by SA, seconded by HM, no further discussion, approved unanimously.
- 3. Property Manager’s Report**– Flower bids are in and within budget. Cottonwoods by Pond 2 are removed. Preliminary meeting with Dub’s to look for cracks in the Pond 3 liner. Will investigate once it warms up a little. Spruce trees have been trimmed by the Bellflower monument. ACC and Board members will look at the result and come up with a recommendation for other similar situations. Will get bids once we agree on scope of work. RSL has cleaned the reeds out of the pond streams. We’re waiting for the cost of a chemical approach to controlling the reeds. Have a couple of bids coming to redo the path between Longview and Primrose including an asphalt paved version.
- 4. Treasurer’s Report** – HM and MJ have reformatted the 2020 year-end financials to better reflect the distinction between operating expenses (and operating fund) and capital expenses (and reserves fund). This format will be used to explain the 2020 financials and 2021 budget to the homeowners. The attached report for January 2021 is in the same format. MJ – Board should keep in mind that: 1) What goes into or out of a reserves fund is highly judgmental; don’t budget for reserves fund unless actually expect to spend it; 2) A negative variance isn’t bad, it’s just something to explain, so emergencies are unexpected variances; 3) Anything that goes into or out of the reserves fund requires board approval. The reason to do reserve accounting and have a reserves fund is to show homeowners that we have reserves for future expenditures.
- 5. Approval of 2021 Proposed Budget** – MOTION to approve 2021 draft budget with dues of \$2700 per home, operating expenses of \$163,100 and capital expenses of \$213,000, details as attached, made by SA, seconded by PH. Discussion about what expenses should be considered operating and capital. Approved unanimously.
- 6. Annual Meeting Package for March 16, 2021** – Cover letter, proxy, board candidate statements, 2020 actuals and 2021 proposed budget will be included in mailing to homeowners.
- 7. Approval of Architectural & Landscaping Standard, Rev 2** – The draft was posted for homeowner comment, one was received. MOTION to approve Rev 2 of the Architectural & Landscaping Standards, made by PH, seconded by HM. Discussion as follows.

Larry Becker commented on the history of the Standards, including the matters of view corridors and trees. The ACC has facilitated several cooperative arrangements between homeowners since the current version was approved in 2019. MA reviewed the history of view corridor communications.

Steve Flannery commented that he is highly supportive of views in the community, but feels that the Standards give the impression that owners have an inalienable right to three views. The HOA discovered in 2004-2008 that view corridors aren’t legally enforceable. Legal counsel at the time told the homeowners that the developer didn’t establish enforceable view easements. Steve is asking the Board to consider that view

corridors only be opened on a voluntary basis. He reads the Standards as saying that owners have an absolute right to three views, and the Standards should be transparent in reflecting that as a community we want to try to encourage but not force view corridor remediation. Other issues should be considered such as privacy in approving landscape plans. MA thanked Steve for his input, read relevant sections aloud and said he could not find anything that suggested the views are enforceable. SA added that the Standards state that view corridor discussions are a voluntary negotiation, not mandatory. MJ commented that the language about view corridors in the Standards may be somewhat misleading, especially to a new homeowner. Steve Flannery suggested putting the view corridor information into a separate document rather than including it in Standards, which may imply enforceability.

After discussion, MOTION approved unanimously.

- 8. **Update on SHOA Water Settlement Agreement** – MA reported that the ballots were mailed to SHOA homeowners on February 5. They want 67% approval of all homeowners to execute the agreement. We have offered yard signs to encourage voting, which Andrew Cousin is providing gratis to SHOA. The vote will be open for up to 60 days or until receiving either 67% affirmative or 33% opposed.
- 9. **Approval of Extensions of SHOA MOU and Tolling Agreement** – MOTION to approve attached extension of the Memorandum of Understanding (MOU) with SHOA to December 31, 2021 made by PH, seconded by SA, discussion followed, approved unanimously.

John Ryan says we have until May 1, 2021 to litigate so no extension of the tolling agreement is required at this time.

- 10. **Insurance Update** – PH reported on continuing communication with State Farm and Farmers on policy options. Her expectation is that the HOA policy will cover common assets located on easements, such as street monuments, but that individual owner’s policies will cover insurable events that damage perimeter fences located on owner’s lot, even if the HOA will eventually replace those fences. HM and AO will help with details with final recommendation planned for March meeting.
- 11. **Enforcement Actions** – None active from the ACC. Some will be some coming soon.
- 12. **Other Business** – None
- 13. **Member Open Forum** – None
- 10. **Next meeting** – Executive Board meeting on Tuesday, March 9, 2021 at 6:30 PM; Annual Meeting on Tuesday, March 16, 2021 at 7:00 PM.
- 11. **Adjourn** - The meeting adjourned at 9:29 PM.



Paula Hemenway, Secretary  
February 22, 2021

**Somerset Estates Homeowners Association - Treasurer's Report**

**Operating and Reserve Fund(s)**

**Summary Balance Sheet and Income Statement**

**JANUARY 2021**

**BALANCE SHEET**

As of January 31, 2021

	Operating Fund	Reserve Fund	Total
<b>ASSETS</b>			
<u>Operating/Checking Account</u>			
Bank of the West	\$ 72,127.24	\$ -	\$72,127.24
<u>Investment/Reserve Account</u>			
Capital One	\$ -	\$ 102,364.02	\$ 102,364.02
<b>TOTAL ASSETS</b>	<b>\$ 72,127.24</b>	<b>\$ 102,364.02</b>	<b>\$ 174,491.26</b>
<b>LIABILITIES &amp; FUND BALANCE</b>			
Fund Balance	\$ 72,127.24	\$ 102,364.02	\$ 174,491.26
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 72,127.24</b>	<b>\$ 102,364.02</b>	<b>\$ 174,491.26</b>

**Statement of Revenues, Expenses, and Changes in Fund Balance**

For January 31, 2021

	Operating Fund	Reserve Fund	Total
<b>REVENUES</b>			
HOA Dues	\$ 58,050.00	\$ -	\$ 58,050.00
HOA Violations & Fines	\$ -	\$ -	\$ -
Special Assessment			
Other Income & Interest	\$ 500.00	\$ 46.26	\$ 546.26
<b>TOTAL REVENUES</b>	<b>\$ 58,550.00</b>	<b>\$ 46.26</b>	<b>\$ 58,596.26</b>
<b>EXPENSES</b>			
Administrative	\$ 1,774.90	\$ -	\$ 1,774.90
Landscape Repair & Maintenance & Enhancement	\$ 1,341.88	\$ -	\$ 1,341.88
Lights & Fence & Path & Pond Maintenance & Repair	\$ -	\$ -	\$ -
Water & Utilities	\$ -	\$ -	\$ -
Water Rights	\$ -	\$ -	\$ -
Water System Infrastructure	\$ -	\$ -	\$ -
Water Features (Ponds & Waterfall)	\$ -	\$ -	\$ -
Water System Profession Fees (Project Mgmt. & Ops Manual)	\$ -	\$ -	\$ -
Irrigation System	\$ -	\$ -	\$ -
Hardscape (Fence & Paths & Monuments)	\$ -	\$ -	\$ -
Softscape (Master Landscape Plan)	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 3,116.78</b>	<b>\$ -</b>	<b>\$ 3,116.78</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	55,433.22	46.26	55,479.48
<b>TRANSFER BETWEEN OPERATING FUND and RESERVE FUND</b>	\$ -	\$ -	\$ -

**Somerset Estates Homeowners Association - Treasurer's Report**

**Operating Fund  
Income Statement**

**JANUARY 2021**

	<b>JANUARY 2021</b>	<b>YTD-ACTUAL 2021</b>	<b>Proposed YTD-BUDGET 2021</b>	<b>Proposed YTD- VARIANCE 2021</b>	<b>Proposed BUDGET 2021</b>
				Better/(Worse)	
<b>REVENUE and EXPENSE SUMMARY</b>					
<b>REVENUE</b>					
HOA Dues	\$ 58,050.00	\$ 58,050.00	\$ 20,025.00	\$ 38,025.00	\$ 240,300.00
HOA Violations & Fines	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$ 500.00	\$ 500.00	\$ -	\$ 500.00	\$ 1,000.00
<b>TOTAL INCOME</b>	<b>\$ 58,550.00</b>	<b>\$ 58,550.00</b>	<b>\$ 20,025.00</b>	<b>\$ 38,525.00</b>	<b>\$ 241,300.00</b>
<b>EXPENSES</b>					
Administrative	\$ 1,774.90	\$ 1,774.90	\$ 3,508.33	\$ 1,733.43	\$ 42,100.00
Landscape Repair & Maintenance & Enhancement	\$ 1,341.88	\$ 1,341.88	\$ 7,325.00	\$ 5,983.12	\$ 87,900.00
Lights & Fence & Path & Pond Maintenance	\$ -	\$ -	\$ 1,241.67	\$ 1,241.67	\$ 14,900.00
Water & Utilities	\$ -	\$ -	\$ 1,516.67	\$ 1,516.67	\$ 18,200.00
<b>TOTAL EXPENSES</b>	<b>\$ 3,116.78</b>	<b>\$ 3,116.78</b>	<b>\$ 13,591.67</b>	<b>\$ 10,474.89</b>	<b>\$ 163,100.00</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 55,433.22</b>	<b>\$ 55,433.22</b>	<b>\$ 6,433.33</b>	<b>\$ 48,999.89</b>	<b>\$ 78,200.00</b>
* MOU Split w/SHOA					
	\$ -	\$ -			
Dues & Fines Outstanding - \$2,025.00 / 3 Homes					
	\$2,025.00 / 3 Homes	\$0.00 / 0 Homes	\$0.00 / 0 Homes	\$0.00 / 0 Homes	

**Somerset Estates Homeowners Association - Treasurer's Report**

**Reserve Funds  
Income Statement**

**JANUARY 2021**

	<b>JANUARY 2021</b>	<b>YTD-ACTUAL 2021</b>	<b>YTD-BUDGET 2021</b>	<b>YTD-VARIANCE 2021</b>	<b>Proposed BUDGET 2021</b>
				Better/(Worse)	
<b>REVENUE and EXPENSE SUMMARY</b>					
<b>REVENUE</b>					
Special Assessment	\$ -	\$ -	\$ -	\$ -	\$ 445,000.00
Interest on Capital One - Reserve Account	\$ 43.47	\$ 43.47	\$ 66.67	\$ (23.20)	\$ 800.00
<b>TOTAL INCOME</b>	<b>\$ 43.47</b>	<b>\$ 43.47</b>	<b>\$ 66.67</b>	<b>\$ (23.20)</b>	<b>\$ 445,800.00</b>
<b>EXPENSES</b>					
Water Rights	\$ -	\$ -	\$ 1,083.33	\$ 1,083.33	\$ 13,000.00
Water System Infrastructure	\$ -	\$ -	\$ 5,083.33	\$ 5,083.33	\$ 61,000.00
Irrigation system	\$ -	\$ -	\$ 1,250.00	\$ 1,250.00	\$ 15,000.00
Water Features (Ponds & Waterfall)	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	\$ 12,000.00
Water System Professional Fees (Project Mgmt. & Ops Mgmt)	\$ -	\$ -	\$ 2,083.33	\$ 2,083.33	\$ 25,000.00
Hardscape (Fence & Paths & Monuments)	\$ -	\$ -	\$ 6,416.67	\$ 6,416.67	\$ 77,000.00
Softscape (Master Landscape Plan)	\$ -	\$ -	\$ 833.33	\$ 833.33	\$ 10,000.00
<b>TOTAL EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,750.00</b>	<b>\$ 17,750.00</b>	<b>\$ 213,000.00</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 43.47</b>	<b>\$ 43.47</b>	<b>\$ (17,683.33)</b>	<b>\$ 17,726.80</b>	<b>\$ 232,800.00</b>

<b>Somerset Estates Homeowners Association</b>			
<b>2020 YEAR-END TOTALS AND 2021 PROPOSED BUDGET</b>			
<b>OPERATING FUND</b>			
	<b>Approved 2020 BUDGET</b>	<b>2020 Year Totals ACTUALS</b>	<b>Proposed 2021 BUDGET</b>
<b>REVENUE and EXPENSE SUMMARY</b>			
<b>OPERATING REVENUE</b>			
Prepaid 2021 HOA Dues		\$ 11,539	
HOA Dues	\$ 240,300	\$ 242,150	\$ 240,300
Fines (Violations)		\$ 4,500	
Late Fees/Finance Charges		\$ 610	
Transfer Fee Revenue		\$ 1,000	
Member Service Reimbursement		\$ 770	
Miscellaneous Revenue ( <i>Water Feature Subsidy</i> )	\$ 1,000	\$ 1,000	\$ 1,000
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 241,300</b>	<b>\$ 261,570</b>	<b>\$ 241,300</b>
<b>OPERATING EXPENSES</b>			
<b>Administrative</b>			
Accounting Fees	\$ 250	\$ 263	\$ 270
Bank Charges & Fees	\$ -	\$ 59	\$ 60
Business Filing Fees	\$ 25	\$ 38	\$ 40
Insurance	\$ 8,750	\$ 11,154	\$ 9,000
Legal	\$ 5,000	\$ 1,905	\$ 2,500
Meeting Expense	\$ 200	\$ -	\$ 200
Miscellaneous	\$ 2,000	\$ 1,220	\$ 1,250
Office Expense & Supplies	\$ 250	\$ -	\$ 250
Postage & Delivery	\$ 600	\$ 457	\$ 480
Printing & Reproduction	\$ 1,200	\$ 673	\$ 690
Property Manager Fees	\$ 14,000	\$ 12,900	\$ 13,800
Supplemental Property Management	\$ -	\$ -	\$ 10,000
Property Transfer Fee	\$ -	\$ 750	\$ -
Storage	\$ 1,200	\$ -	\$ 1,200
Taxes	\$ -	\$ 51	\$ 60
Web-site Hosting/Domain/Cloud Storage	\$ 1,200	\$ 1,630	\$ 2,300
<b>Total Administrative</b>	<b>\$ 34,675</b>	<b>\$ 31,099</b>	<b>\$ 42,100</b>
<b>Landscape Maintenance</b>			
Gardens/Flowers	\$ 8,000	\$ 9,544	\$ 9,700
Aeration	\$ 600	\$ 588	\$ 588
Clean-up Spring/Fall	\$ 3,000	\$ 3,032	\$ 3,032
Holiday Decoration	\$ 2,000	\$ 2,828	\$ 3,000
Irrigation Maintenance	\$ 13,000	\$ 31,925	\$ 20,000
Lawn Fertilization/Weed Control	\$ 7,000	\$ 7,510	\$ 7,700
Miscellaneous Landscape	\$ 600	\$ 1,512	\$ 1,500
Mowing - Irrigated	\$ 15,800	\$ 15,260	\$ 14,170
Mowing - Non-irrigated	\$ 2,000	\$ 1,005	\$ 2,010
Shrub Pruning	\$ 2,000	\$ 440	\$ 3,440
Snow Removal	\$ 2,500	\$ 6,268	\$ 6,400
Trash Removal & Dump Fees	\$ 1,800	\$ 1,530	\$ 2,000
Tree Maintenance ( <i>Fertilizer &amp; Bug Control</i> )	\$ 2,000	\$ 515	\$ 500
Tree Trimming and Removal	\$ 9,000	\$ 5,353	\$ 12,000
Vacant Lot Mowing	\$ -	\$ 20	\$ -
Weeding Gardens	\$ -	\$ 432	\$ 1,860
<b>Total Landscape Maintenance</b>	<b>\$ 69,300</b>	<b>\$ 87,761</b>	<b>\$ 87,900</b>
<b>Infrastructure Maintenance</b>			
Electrical/Light Maintenance	\$ 2,000	\$ 620	\$ 630
Fence Maintenance	\$ -	\$ -	\$ 1,000
Miscellaneous Maintenance	\$ 350	\$ 208	\$ 220
Path/Sidewalk Maintenance	\$ 500	\$ 830	\$ 850
Pond Maintenance ( <i>cattail/reed removal</i> )	\$ 10,500	\$ 9,715	\$ 10,000
Pump Maintenance	\$ 2,000	\$ -	\$ 1,000
Utility Locating	\$ 700	\$ 1,220	\$ 1,200
<b>Total Infrastructure Maintenance</b>	<b>\$ 16,050</b>	<b>\$ 12,593</b>	<b>\$ 14,900</b>
<b>Water and Utilities</b>			
Electricity	\$ 12,000	\$ 14,339	\$ 14,700
Water - Ditch fees	\$ 500	\$ 422	\$ 500
Water - Leased	\$ 3,000	\$ 747	\$ 3,000
<b>Total Water and Utilities</b>	<b>\$ 15,500</b>	<b>\$ 15,508</b>	<b>\$ 18,200</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 135,525</b>	<b>\$ 146,962</b>	<b>\$ 163,100</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 105,775</b>	<b>\$ 114,608</b>	<b>\$ 78,200</b>

<b>Somerset Estates Homeowners Association</b>			
<b>2020 YEAR-END TOTALS AND 2021 PROPOSED BUDGET</b>			
<b>RESERVE FUND</b>			
	<b>Approved 2020 BUDGET</b>	<b>2020 Year Totals ACTUALS</b>	<b>Proposed 2021 BUDGET</b>
<b>REVENUE and EXPENSE SUMMARY</b>			
<b><u>RESERVE REVENUE</u></b>			
Special Assessment			\$ 445,000
Interest Revenue on Reserve Fund	\$ 2,000	\$ 1,727	\$ 800
<b>TOTAL RESERVE REVENUE</b>	<b>\$ 2,000</b>	<b>\$ 1,727</b>	<b>\$ 445,800</b>
<b><u>CAPITAL EXPENSES</u></b>			
<b>Water Rights Management</b>			
Legal - Other			
Water attorney - water asset resolution	\$ 30,000	\$ 7,758	\$ 5,000
Real property attorney - quiet title on outlots			\$ 8,000
Professional Fees			
Water engineer - water asset resolution	\$ 35,000	\$ 8,448	
<b>Total Water Rights Management</b>	<b>\$ 65,000</b>	<b>\$ 16,206</b>	<b>\$ 13,000</b>
<b>Water System Infrastructure</b>			
Transfer line from Pond 1 to Pond 2			\$ 40,800
Mag Meter on BWR ditch			\$ 7,000
Pressure regulation to separate SEHOA/SHOA irrigation			\$ 6,100
Pond 1 transfer line pump			\$ 7,100
<b>Total Water System Infrastructure</b>			<b>\$ 61,000</b>
<b>Irrigation System</b>			
Irrigation Major Repairs			\$ 15,000
<b>Total Irrigation System</b>			<b>\$ 15,000</b>
<b>Water Features (Ponds and Waterfall)</b>			
Pond 7 major repairs		\$ 11,925	
Pond 8 major repairs, including Water Engineer	\$ 15,000	\$ 94,139	
Pond liner repairs			\$ 12,000
<b>Total Water Features</b>	<b>\$ 15,000</b>	<b>\$ 106,064</b>	<b>\$ 12,000</b>
<b>Water System Professional Fees</b>			
Water Systems Consulting - Project Planning/Mgmt			\$ 10,000
Water Systems Other (Operations Manual)			\$ 15,000
<b>Total Water Systems Professional Fees</b>			<b>\$ 25,000</b>
<b>Hardscape (Fences, Paths, Monuments)</b>			
Fence Refurbishment and Replacement	\$ 27,775	\$ 34,727	
Longview hardscape refurb (sidewalk to fence)			\$ 5,000
Fines gravel path from Longview to Primrose			\$ 30,600
Major repairs of entrance monuments at Hwy 52			\$ 23,400
Major repairs of one-third of street monuments			\$ 18,000
<b>Total Hardscape</b>	<b>\$ 27,775</b>	<b>\$ 34,727</b>	<b>\$ 77,000</b>
<b>Softscape (Master Plan, Trees, Vegetation)</b>			
Master Landscape Plan			\$ 10,000
<b>Total Softscape</b>			<b>\$ 10,000</b>
<b>TOTAL CAPITAL EXPENSES</b>	<b>\$ 107,775</b>	<b>\$ 156,997</b>	<b>\$ 213,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ (105,775)</b>	<b>\$ (155,270)</b>	<b>\$ 232,800</b>

**Memorandum of Understanding Between  
Somerset Homeowners Association and  
Somerset Estates Homeowners Association  
Regarding Continuing Services  
As of December 2020**

**Purpose**

The purpose of this Memorandum of Understanding (the "2020 MOU") is to formalize the agreement and understanding between Somerset Homeowners Association ("SHOA") and Somerset Estates Homeowners Association ("SEHOA"), and specifically to extend the Term of the "2019 MOU" executed by each party in December 2019. This 2020 MOU supplements and extends the 2019 MOU and the original MOU executed by the parties on October 28, 2018 (the "2018 MOU").

Each of the 2018 MOU and 2019 MOU shall remain in force and effect.

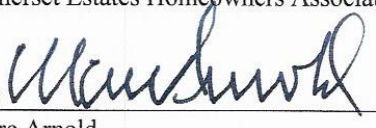
By their signature below, SHOA and SEHOA agree that the Term of the 2019 MOU shall be and hereby is extended until December 31, 2021.

Somerset Homeowners Association

By: \_\_\_\_\_  
Sue Grampp  
President

Date: \_\_\_\_\_

Somerset Estates Homeowners Association

By:   
Marc Arnold  
President

Date: 9 FEB 2021