

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

- 1. Call to Order and Quorum** - The meeting was called to order at 6:35 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 – None

ACC member present – Larry Becker

- 2. Approval of Prior Meeting Minutes** – MOTION to approve minutes from the Meeting of the Executive Board on February 9, 2021, as edited, made by SA, seconded by HM, no further discussion, approved unanimously.
- 3. Property Manager’s Report** – Pond 3 has been inspected by Dub’s and they found a few minor cracks and one major crack. Most of the cracks appear to be above the concrete apron. They think it can be fixed for about \$2-3000. Liner appears to be in decent shape overall because of 6”-12” of squeegee and could last a couple more years.

We have quotes for the path from Longview to Primrose. It’s approximately \$39,000 if use asphalt, including repairing the smaller paths that tie into the gravel path. Would probably leave 6” – 12” next to fence that would need to be rock. MA - We should open dialogue on removal of trees that are right up against fence on north side. We have the right to cut the branches and roots that are on our side of the path, even though this might kill the tree. MA previously drafted a letter (not sent) to a homeowner in Autumn Ridge with a cottonwood up against the path. He will forward to the Board as a starting point to communicate with this homeowner. MJ – We should consider aesthetics as well as utility of the path.

We don’t know yet when the ditches will start running, but we may face restrictions this year. AO had a meeting on the pricing of a mag meter out of BWR ditch into Pond 1. He’s estimating about \$10,000 for the equipment and \$10,000 for installation. Another company does a full turn-key system – waiting on pricing.

- 4. Insurance Update / Approval** – PH presented an update on the options of State Farm and Anderson-Ban. Our current Farmers policy expires on April 12, 2021 and can’t be renewed as Farmers is no longer insuring properties that include water features. The advantage to Anderson-Ban is that it brokers for multiple insurance companies including Travelers that will write a D&O policy with \$500,000 coverage on fidelity/employee dishonesty. State Farm is limited to \$50,000. CCIOA requires that we have fidelity insurance for the amount in reserves plus two months’ assessments. MJ – not unusual to have more than one company for the different insurance policies (property, D&O, umbrella liability). State Farm has good coverage – keep them in the mix. PH and AO will recommend coverage limits and check with our attorney to make sure we are meeting Declaration and CCIOA requirements. As this must be decided before the next Board meeting, the recommendations will be put to the Board as a Unanimous Written Consent.

5. **Treasurer's Report** – HM presented an updated version of the new format that shows both operating and reserves (capital) expenses, as well as a summary that includes the balance sheet information for the two accounts: Bank of the West (operating) and Capital One (reserves). After discussion, the final report for February is attached. MJ -Transfers from operating account to reserves account is a balance sheet transfer, not revenue for the reserves account. AO to put notice in March bill about the special assessment.
6. **Review Draft Annual Meeting Presentation** – MA reviewed the presentation for the Annual Meeting on March 16 at 7 pm, which will be held only on Zoom. Not enough people responded to attend in person to pursue that option. We are collecting proxies and should have enough to meet the 20% quorum requirement.
7. **Update on SHOA Water Settlement Agreement** – Vote on agreement by SHOA homeowners is continuing, to be completed by April 5. SHOA had to start vote over with a new ballot because of an error in the first ballot.
8. **Approval of Extension of Tolling Agreement** – MOTION to approve authorizing MA to sign amendment of tolling agreement to extend the tolling period to May 15, as attached, made by HM, seconded by SA, no further discussion, approved unanimously. MA will send signed amendment to Sue Grampp, SHOA President, prior to the SHOA Board meeting on March 10.
9. **Enforcement Actions** – None active from the ACC. A couple will be sent to the Board soon.
10. **Other Business** – None
11. **Member Open Forum** – None
10. **Next meeting** – Executive Board meeting on Tuesday, April 13, 2021 at 6:30 PM; Annual Meeting on Tuesday, March 16, 2021 at 7:00 PM.
11. **Adjourn** - The meeting adjourned at 8:48 PM.

Paula Hemenway

Paula Hemenway, Secretary
March 19, 2021

Somerset Estates Homeowners Association - Treasurer's Report

Operating and Reserve Fund(s)

Balance Sheet and Summary Income Statement

FEBRUARY 2021

BALANCE SHEET

As Of February 28, 2021

	Operating Fund	Reserve Fund	Total
ASSETS			
<u>Operating/Checking Account</u>			
Bank of the West	\$ 57,208.40	\$ -	\$57,208.40
<u>Investment/Reserve Account</u>			
Capital One	\$ -	\$ 102,446.77	\$ 102,446.77
TOTAL ASSETS	\$ 57,208.40	\$ 102,446.77	\$ 159,655.17
LIABILITIES & FUND BALANCE			
Fund Balance	\$ 57,208.40	\$ 102,446.77	\$ 159,655.17
TOTAL LIABILITIES & FUND BALANCE	\$ 57,208.40	\$ 102,446.77	\$ 159,655.17

Statement of Revenues, Expenses, and Changes in Fund Balance

For February 28, 2021

	Operating Fund	Reserve Fund	Total
REVENUES			
HOA Dues	\$ -	\$ -	\$ -
HOA Violations & Fines	\$ -	\$ -	\$ -
Special Assessment	\$ -	\$ -	\$ -
Other Income & Interest	\$ -	\$ 39.28	\$ 39.28
TOTAL REVENUES	\$ -	\$ 39.28	\$ 39.28
EXPENSES			
Administrative	\$ 1,679.00	\$ -	\$ 1,679.00
Landscape Repair & Maintenance & Enhancement	\$ 10,457.95	\$ -	\$ 10,457.95
Lights & Fence & Path & Pond Maintenance & Repair	\$ -	\$ -	\$ -
Water & Utilities	\$ 2,781.89	\$ -	\$ 2,781.89
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)	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 14,918.84	\$ -	\$ 14,918.84
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(14,918.84)	39.28	(14,879.56)
3			
TRANSFER BETWEEN OPERATING FUND and RESERVE FUND	\$ -	\$ -	\$ -

Somerset Estates Homeowners Association - Treasurer's Report					
Operating Fund					
Income Statement					
FEBRUARY 2021					
	FEBRUARY	YTD-ACTUAL	Proposed	Proposed	Proposed
	2021	2021	2021	YTD-	BUDGET
				VARIANCE	2021
				2021	2021
				Better/(Worse)	
REVENUE and EXPENSE SUMMARY					
REVENUE					
HOA Dues	\$ -	\$ 58,050.00	\$ 40,050.00	\$ 18,000.00	\$ 240,300.00
HOA Violations & Fines	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$ -	\$ 500.00	\$ -	\$ 500.00	\$ 1,000.00
TOTAL INCOME	\$ -	\$ 58,550.00	\$ 40,050.00	\$ 18,500.00	\$ 241,300.00
EXPENSES					
Administrative	\$ 1,679.00	\$ 3,453.90	\$ 7,016.67	\$ 3,562.77	\$ 42,100.00
Landscape Repair & Maintenance & Enhancement	\$ 10,457.95	\$ 11,799.83	\$ 14,650.00	\$ 2,850.17	\$ 87,900.00
Lights & Fence & Path & Pond Maintenance	\$ -	\$ -	\$ 1,241.67	\$ 1,241.67	\$ 14,900.00
Water & Utilities	\$ 2,781.89	\$ 2,781.89	\$ 3,033.33	\$ 251.44	\$ 18,200.00
TOTAL EXPENSES	\$ 14,918.84	\$ 18,035.62	\$ 25,941.67	\$ 7,906.05	\$ 163,100.00
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (14,918.84)	\$ 40,514.38	\$ 14,108.33	\$ 26,406.05	\$ 78,200.00
* MOU Split w/SHOA	\$ -	\$ -			
Dues & Fines Outstanding - \$2,025.00 / 3 Homes	0 - 30 Days \$0.00 / 0 Homes	30 - 60 Days \$2025.00 / 3 Homes	60 - 90 Days \$0.00 / 0 Homes	Over 90 Days \$0.00 / 0 Homes	

Reserve Fund					
Income Statement					
FEBRUARY 2021					
	FEBRUARY	YTD-ACTUAL	YTD-BUDGET	YTD-VARIANCE	Proposed
	2021	2021	2021	2021	BUDGET
				2021	2021
				Better/(Worse)	
REVENUE and EXPENSE SUMMARY					
REVENUE					
Special Assessment	\$ -	\$ -	\$ -	\$ -	\$ 445,000.00
Interest on Capital One - Reserve Account	\$ 39.28	\$ 82.75	\$ 133.33	\$ (50.58)	\$ 800.00
TOTAL INCOME	\$ 39.28	\$ 82.75	\$ 133.33	\$ (50.58)	\$ 445,800.00
EXPENSES					
Water Rights	\$ -	\$ -	\$ 2,166.67	\$ 2,166.67	\$ 13,000.00
Water System Infrastructure	\$ -	\$ -	\$ 10,166.67	\$ 10,166.67	\$ 61,000.00
Irrigation system	\$ -	\$ -	\$ 2,500.00	\$ 2,500.00	\$ 15,000.00
Water Features (Ponds & Waterfall)	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00	\$ 12,000.00
Water System Professional Fees (Project Mgmt. & Ops Mgmt)	\$ -	\$ -	\$ 4,166.67	\$ 4,166.67	\$ 25,000.00
Hardscape (Fence & Paths & Monuments)	\$ -	\$ -	\$ 12,833.33	\$ 12,833.33	\$ 77,000.00
Softscape (Master Landscape Plan)	\$ -	\$ -	\$ 1,666.67	\$ 1,666.67	\$ 10,000.00
TOTAL EXPENSES	\$ -	\$ -	\$ 35,500.00	\$ 35,500.00	\$ 213,000.00
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 39.28	\$ 82.75	\$ (35,366.67)	\$ 35,449.42	\$ 232,800.00

AMENDMENT #1 TO TOLLING AGREEMENT

This Amendment #1 to Tolling Agreement (“Amendment”) is made this ____ day of March, 2021 by and among Somerset Homeowners Association (“SHOA”) and Somerset Estate Homeowners Association (“SEHOA”) (SHOA and SEHOA shall be collectively referred to as the “Parties”). This Amendment amends that certain Tolling Agreement dated March 13, 2019 (the “Agreement”) by and between the Parties.

The Parties have made substantial progress in resolving potential disputes that are the subject of the Tolling Agreement, and now desire to extend the Tolling Period to allow for time to fully resolve issues through a final agreement.

NOW THEREFORE, for and in consideration of the mutual covenants and promises contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Tolling Period. The Parties agree that the Tolling Period, as defined in the Agreement, shall be extended so as to end on May 15, 2021.

2. Remaining Terms Unchanged. All other terms set forth in the Agreement shall remain in place and unchanged.

Somerset Homeowners Association

Somerset Estates Homeowners Association

By: _____
Sue Grampp
President

By: _____
Marc Arnold
President

Date

Date