

**Minutes of Annual Meeting of Homeowners
Somerset Estates Homeowners Association (SEHOA)
March 10, 2020
Mountain View Fire Station, Niwot CO**

1. Call to Order and Quorum

The meeting was called to order at 7:00 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%. Nineteen homeowners attended the meeting, including all five current board members (Marc Arnold, Bill Harris, Paula Hemenway, Mark Jensen, and Herb McPherson).

2. Proof of Notice and Approval of March 19, 2019 Meeting Minutes

The Annual Notice was mailed to all members on February 5, 2020 and was available for inspection at the meeting. The minutes of the Annual Meeting held on March 19, 2019 were also mailed to owners. Motion made by Allan Orendorff to approve these minutes, seconded by John Ryan, no discussion, approved unanimously.

3. 2019 Year in Review

Marc Arnold, SEHOA President, gave a presentation outlining the major accomplishments over the past year. These included common area remedial repairs, common area beautification, a spring clean-up campaign led by the ACC, pond repairs, pest tree removal around ponds, establishment of a Welcome Committee (Anita Harris, Kamla Chopra, Beth Ryan, and Richelle Burnett), finalization of Policies, Standards, and Rules required by CCIOA and the declaration, holiday and spring social events, establishment of a road repaving study group, improved tree maintenance, establishment of a book club, development of a financial planning process, development of a fence restoration plan, approval of the 2020 budget, extension of the memorandum of understanding (MOU) with Somerset Homeowners Association (SHOA) to allocate shared costs through 2020, and establishment of a lot easement policy to clarify maintenance responsibility for common infrastructure on easements. Pressure for a quick merger with SHOA has abated, with each HOA operating as a stand-alone association and good faith negotiations between the two boards on practical matters. At this time, we think it unlikely that 67% of all owners in each community would support a merger.

4. Current Status and 2020 Priorities

- Financial status: The 2019 year-end cash balance was \$149,629 (\$132,543 in reserves and \$17,086 in operating funds), compared to \$116,674 at the end of 2018. The 2020 budget is \$243,300 (income and operating/capital expenses). We spent approximately \$30k in 2019 on refurbishment/deferred maintenance projects. This is expected to increase to approximately \$85k in 2020.
- The SEHOA Board has proposed terms to the SHOA Board to split the water rights and clarify property rights. We hope to negotiate a settlement as soon as possible. In conjunction with negotiations with SHOA, we intend to develop a comprehensive water plan for infrastructure and sources.
- We have a framework for restoration and beautification projects, with plans for near-term (2020) projects. A priority for 2020 is to develop a long term reserve study for ponds, paths, fences, trees & landscaping, and monuments.
- The plan to stain the fences along Somerset Dr and Longview Dr was discussed. The purpose of this project is to extend the life of the fences and to improve appearance and uniformity. As part of the project, standard wood fencing will replace the wire section of fence on the east side of Somerset Dr. Question was raised whether fences on owners' lots that tie into the perimeter fences will look out of place if not also stained. The contractor will be asked to offer to stain these fences as part of the project (but at owner expense). Question was also raised whether the perimeter fences are the responsibility of the association or the owner. This has been extensively researched by the Board, with the conclusion that the association has responsibility for the fences, as documented in the Lot Easement Policy (available on the website – somersetstates-hoa.com).

5. Water Committee Report

The Water Committee appointed by the Board includes John Ryan, Bob Uhler, Marc Arnold, and Paula Hemenway. As reported in 2019, SEHOA engaged Dietz & Davis as the water attorney firm, with Lamp Rynearson sub-contracted as the water engineering firm. A two-year “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. We are currently in negotiations with SHOA to allocate water rights and clarify title to common properties. Both HOAs have common interests, although water rights uncertainty affects SEHOA differently from SHOA. The goal is to secure long-term legal right to use water adequate to maintain SEHOA common areas, water features, and ponds. Eliminating or reducing SEHOA’s water rights risk could be time-consuming and costly. Homeowners will be kept informed via the What’s Up newsletter 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. Scott Abrahamson reported on ACC accomplishments, including updating the Architectural and Landscaping Standards, establishing a mediation process for view corridors, approving 25 requests from homeowners, and establishing a homeowner maintenance notification program and enforcement process. Over 45% of homeowners received a courtesy notice of noncompliance issues. Scott thanked homeowners for being very supportive and cooperative as the ACC develops and implements this process to improve the appearance of our homes and yards. The ACC neighborhood walk-through will begin again this spring to identify any concerns. The ACC’s desire is to continue to promote the value of neighborly cooperation and relations. Early homeowner action to cut back trees and shrubs adjacent to or overlapping fences and walkways will save cost and avoid compliance notices. The ACC’s goals for 2020 include updating the current version of the Architectural and Landscaping Standards, being timely and responsive to homeowner approval requests, and observing the maintenance status of the neighborhood more often and being timelier with compliance responses. Following the adjournment of the meeting, Scott stayed to explain the ACC process for interested homeowners.

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

To establish staggered board terms, two Board members elected in 2019 held one-year terms (and three are holding two-year terms). The one-year terms that expired as of this meeting were held by Bill Harris and Herb McPherson. Bill chose not to run for another term and was thanked for his service. Herb agreed to run for another term. Prior to the meeting, owners were given the opportunity to have their name placed on the ballot, and Herb McPherson and Michael Sims did so. Candidate statements from each were published in the SEHOA What’s Up #39 newsletter. At the meeting each candidate made a brief statement 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. Executive Board Election

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

Michael Sims received 37 votes; Herb McPherson received 36 votes; 1 proxy was for quorum purposes only. Michael Sims and Herb McPherson were thus duly elected for two year terms.

9. Member Open Forum

Comment that it is good that no homeowners are delinquent in dues. Bill Harris talked about the benefits of serving on the Executive Board and encouraged others to volunteer to do so.

The meeting was adjourned at 8:05 PM.

Paula Hemenway
SEHOA Secretary