

**Minutes of Meeting of the Executive Board of
Somerset Estates Homeowners Association (SEHOA)
August 27, 2019
Hemenway Residence, 8428 Strawberry Lane, Niwot CO**

1. **Call to order** - The meeting was called to order at 7:30 PM, after a social hour that began at 6:30 PM.
2. **Quorum** - Quorum met for Executive Board meeting with Marc Arnold (MA), Bill Harris (BH), Paula Hemenway (PH), Mark Jensen (MJ), and Herb McPherson (HM) present.

SSTC Board Members in attendance – Arlee Kachensky, Steve Lehan, and Beth Ryan
Homeowners in attendance – Barb Arnold, Kiran and Kamla Chopra, Dave Edwards, Anita Harris, Jim Hemenway, David Kachensky, and John Ryan

3. **Approval of Prior Meeting Minutes** – Motion to approve minutes from the Executive Board meeting on August 13, 2019 made by MJ, seconded by BH, approved unanimously.
4. **Discussion with SSTC Board regarding how we can better work together for the benefit of Somerset Estates** – This was an informal discussion summarized below.

MA thanked the SSTC board for its management of a beautiful facility and stated that the SEHOA Board wants to work with the SSTC Board to serve our joint community. Steve Lehan agreed we should be aligned and noted positive results from cooperation between SSTC and SEHOA over the past year.

Dave Edwards asked what new buyers are told about SSTC. Steve said that buyers are informed that all back dues (arrearages) must be paid if the buyer wants to use the facility, but there is no obligation to do so. Arlee Kachensky explained that all title companies in the area have been told by SSTC to contact them when a property is in escrow. The SEHOA Board has recently instructed Al Orendorff, property manager, to state on the disclosure sheet he receives from title companies that SSTC is a separate association that must be contacted regarding the status of the membership. The consensus was that open and transparent communication about the relationship between SEHOA and SSTC is important because buyers sometimes assume the pool is part of the HOA. MJ made the point that the SSTC membership status is a material fact for buyers and SSTC needs to keep sending an annual letter to inactive members about the amount that would need to be paid for the membership to be active.

Dave asked whether Block 1 lots sold before SSTC was formed were rightly part of SSTC membership. PH offered to provide documentation for why all lots in Somerset Estates are valid members of SSTC based on the 1992 Declaration and SSTC governing documents. Kiran Chopra stated that he didn't think it was fair that he had an option to purchase an annual membership when he lived in Somerset Place (note: limited annual memberships introduced in 2011), but he couldn't use the facility after moving to Somerset Estates in 2013 without paying the arrearage.

Steve provided some history about why SSTC requires all arrearages be paid before an owner can use the facilities. In 2005, an unsustainable 11 homes in Estates were paying dues. After analyzing the situation and the SSTC governing documents, the SSTC Board started to enforce the provision that an inactive member can become active only by paying all back dues, after offering an amnesty in 2010 whereby any inactive member became active if they paid only the current year's dues. This offer was repeated in 2011, and again in 2012 (if the member paid the current and prior year's dues). Arlee provided a chart showing that in 2013 there were 45 active residential (also referred

to as equity) members, which has increased to 60 at the start of the 2019 season (including 3 residents in Somerset Heights/Place that bought a residential membership sometime during the past 25 years). Enforcing the policy that arrearages must be paid for a membership to remain active, SSTC is now on firm financial footing with over \$120k in reserves. Arlee also provided information about the accumulated SSTC arrearage amounts. Excluding 3 members that are unpaid for only this year, these arrearages date back to the early 2000's with arrearages ranging from \$1450 up to \$10,200, for a total of \$241k. Considering only homeowners in Somerset Estates, 30 are more than one year in arrears.

Kiran asked whether SSTC would provide another amnesty for owners that bought their homes after 2012. Steve suggested the possibility of converting the SSTC to a lien applying association, meaning the dues would not be optional going forward and past arrearages would disappear, but not another amnesty. Dave asked whether the same result would be achieved by merging SSTC with SEHOA, and Kiran noted that the two organizations are linked because the provision for a recreational facility was in the 1992 Declaration for Somerset Estates. MA stated that SEHOA is not in a position to consider a merger right now, but this might be something to discuss in the future. MA also stated that SEHOA is open to assisting with SSTC communications by adding a webpage to the SEHOA website or providing a link to an SSTC website (which it doesn't currently have). PH offered to provide a suggested information sheet for new buyers and owners to explain the relationship between SEHOA and SSTC and how SSTC dues are managed.

5. **Other Business** – MA passed out color options for semi-transparent fence stains to restore and prolong the life of fences along Somerset Dr and Longview Dr. He asked each board member to select three to use on sections of the fence (location TBD) as samples to solicit community input. Decision on which colors to sample will be made at a future meeting.
6. **Member Open Forum** – No discussion.
7. **Next meeting** – Tuesday, September 10, 6:30 pm at Mtn. View Fire Station, Niwot
8. **Adjourn** - The meeting adjourned at 8:55 PM.



Paula Hemenway, Secretary
September 3, 2019