

**Minutes of Meeting of the Executive Board of  
Somerset Estates Homeowners Association (SEHOA)  
February 12, 2019  
Niwot Fire Station, CO**

1. **Call to order** - The meeting was called to order at 6:33 PM.
2. **Quorum** - Quorum met for Executive Board meeting with Marc Arnold (MA), Paula Hemenway (PH), Kip Sharp (KS), and Anthony Chirikos. Susan Reilly was absent.

ACC members in attendance – Larry Becker, Barb Stager, Bob Uhler  
Homeowners in attendance – Dave and Arlee Kachensky, Loren Burnett, Mark and Diane Jensen, John Rademacher (pending owner of 6475 Cranberry Ct), Herb McPherson, Mark Kubick, Ron Sanders

3. **Approval of Prior Meeting Minutes** - The minutes from the Executive Board meeting on January 22, 2019 were unanimously approved with a motion from AC, seconded by KS.

4. **Homeowner Comments on Draft Revised Architectural and Landscaping Standards** –

- Will the ACC ask owners to remove Cottonwoods and Russian Olive trees? (Answer – yes.)
- Will the ACC check the tree and shrub quantities in Appendix B for existing landscaping? (Answer – no; these quantities are for new landscaping.)
- No one on the ACC has experience or expertise in design/colors/trends. Standards on these matters are dated.
- ACC should consider allowing newer architectural asphalt roofing materials and stop allowing cedar shakes.
- Is there anything we can do about the older asphalt roof on Firethorn Ct? (Answer – we can require a different material when it needs to be replaced.)
- Can the ACC visit a property without owner approval? (Answer – no, the ACC will get owner approval first.)
- Covenants are followed when there is a culture in the community to follow them. If owners only care about their house and near neighbors, hard to get buy-in to new culture of following rules. Need to keep communicating with homeowners and encourage responses to survey on A & L Standards before adopting.
- Owners care about views, but they also care about privacy provided by trees. One owner stated that he'd rather have his trees than the views.
- We've planted some really big trees in the community. It would be better to not allow species that go taller than the house height to avoid future problems, so we should reconsider list in Appendix B (e.g., Colorado Blue Spruce).
- Too much emphasis on blue fescue grass and other non-native, high-water use ground covers. Should make native grasses more acceptable with fewer restrictions.

- View corridor from “any” main family gathering area really meant historically from “any one”, not all. Will be a challenge if look at views from all main family gathering areas and will mean too many trees planted in good faith become a problem.
- A light hand is the best way to deal with view corridor issues, while being as specific as possible in definitions so evenly applied to everyone.
- What the ACC has outlined in the draft A & L Standards is a reasonable place to begin where the ACC is a facilitator to resolve issues.
- It’s not enough to just do an initial trimming of overgrown trees – we need to require on-going trimming.

The ACC will consider all these comments, as well as the results of the survey provided to homeowners with the draft A & L Standards, in preparing the final version of the proposed Standards for Board approval.

**5. Discussion of Draft Policies and Rules** – Drafts of the following CCIOA-required policies were distributed and discussed:

- Adoption and Amendment of Policies
- Alternate Dispute Resolution Policy
- Conduct of Meeting Policy
- Conflict of Interest Policy
- Enforcement Policy
- Inspection and Copying of Records Policy
- Reserve Fund Investment Policy

Comments will be incorporated into the next drafts to be sent to Scott Osgood, Attorney for SEHOA, for his review. As the Collection Policy has already been approved, the only remaining CCIOA-required policy we need to draft is the Reserve Study Policy. We also need to draft some rules that are called out in the Declaration.

**6. Annual Meeting Information** – The documents to be mailed to homeowners regarding the March 19, 2019 Annual Meeting were reviewed, including the cover letter, proxy form, and board candidate information form. The cover letter includes the Order of Business. The only vote will be to elect five board members, as per the Bylaws, the current five members were elected for one year. It was suggested that the homeowners need to be told whether or not the current board members intend to run for re-election, as there may not be new volunteers if there aren’t expected vacancies. KS and AC indicated that they do not plan to run for re-election. MA and PH expect to run. It was agreed to add a sentence to the cover letter stating that there would be board vacancies. The packet will be mailed by February 15.

**7. Property Manager’s Report** – We have a contract for Rock Solid Landscape for landscape maintenance (clean-up, mowing, aeration, weeding, and pruning) for \$22,887 for the year. We also have a contract for 3D Tree Care to prune trees in common areas and remove Russian Olives and dead trees on Outlot D for \$5250, as well as a contract from SavATree for fertilizer and weed control for \$7620 with a 7% (\$533) discount if we prepay. The scope of the 3D Tree Care proposal will be considered further as to exactly what we want pruned. AI will speak to SavATree about the pre-emergent applications in the grass right-of-ways on the north side of Somerset Drive and from Longview to Bellflower in case we decide to oversee those areas this spring. Once the scope is

finalized, the contracts will be executed. Motion to execute made by AC, seconded by KS, approved unanimously.

- 8. Treasurer's Report** – The inaccuracies in the SEHOA's 2018 financial statements, which arose during the transition from a single HOA into two separate HOAs in the AppFolio accounting system, have been materially resolved by AC and AI Orendorff, with the assistance of AI's third-party accountant. AC and AI Orendorff now feel comfortable that the Net Income reported on the SEHOA 2018 Income Statement is accurate, and the balance sheet accounts as of December 31, 2018 are correctly stated. We now have a clean and correct start for 2019. PH handed out the attached January balance sheet and income statement from AI Orendorff. We discussed upcoming expenses and amount of money needed in the operating account to cover these. To earn as much interest as possible, AC made a motion to move \$30,000 from the Bank of the West operating account to the Capital One reserves account; KS second, approved unanimously.
- 9. Matters Concerning SHOA** – MA was copied on a letter dated February 1, 2019 from Jeff Foltz, attorney for three homeowners in SHOA, to Michael Repucci, attorney for SHOA, regarding a challenge to SHOA's vote to elect treatment under CCIOA and adopt an amended Declaration. MA distributed the letter to the Board. No action needed. AC will follow up with Larry Buster, SHOA Treasurer, regarding the Limited MOU for 2019 that we proposed after the January 22, 2019 board meeting to deal with expenses that are still commingled in 2019, and also to maintain the status quo for water delivery in 2019. Bob Uhler will talk to John Ryan about setting up a joint Water Committee meeting with SHOA. KS will contact Keith Moskowitz, Acting President after the resignation of Chad Copenhaver, to encourage him to get the water discussion going.
- 10. Other Business** – We are still on track with the Q1 2019 roadmap as shown at the January 22, 2019 meeting, although a the Water Plan will likely not be fully developed by the Annual Meeting.
- 11. Member Open Forum** – No discussion.
- 12. Next meeting – Wednesday, February 27, 6.30 pm at Niwot Fire Station. Note – this is rescheduled from February 26 to accommodate board member schedules.**
- 13. Adjourn** - The meeting adjourned at 9:30 PM.



Paula Hemenway  
February 16, 2019

**Income Statement**

**Trio Property Management**

Properties: Somerset Estates Homeowners Association - PO Box 621 Niwot, CO 80544

As of: Jan 2019

Accounting Basis: Cash

Level of Detail: Detail View

Account Name	Account Number	Selected Month	Year to Month End
<b>Operating Income &amp; Expense</b>			
<b>Income</b>			
<b>ASSOCIATION INCOME</b>			
HOA Dues	4010	50,000.00	50,000.00
Late Fees/Finance Charges	4145	100.00	100.00
<b>Total ASSOCIATION INCOME</b>		<b>50,100.00</b>	<b>50,100.00</b>
<b>Total Operating Income</b>		<b>50,100.00</b>	<b>50,100.00</b>
<b>Expense</b>			
<b>ADMINISTRATIVE</b>			
Meeting Expense	6100	125.35	125.35
Printing and Reproduction	6130	259.62	259.62
Property Management Fee	6140	1,075.00	1,075.00
<b>Total ADMINISTRATIVE</b>		<b>1,459.97</b>	<b>1,459.97</b>
<b>Total Operating Expense</b>		<b>1,459.97</b>	<b>1,459.97</b>
<b>NOI - Net Operating Income</b>		<b>48,640.03</b>	<b>48,640.03</b>
Total Income		50,100.00	50,100.00
Total Expense		1,459.97	1,459.97
<b>Net Income</b>		<b>48,640.03</b>	<b>48,640.03</b>

## Preliminary Balance Sheet without Update to Reserve Account

### Balance Sheet

Properties: Somerset Estates Homeowners Association - PO Box 621 Niwot, CO 80544

As of: 01/31/2019

Accounting Basis: Cash

Level of Detail: Detail View

Account Name	Account Number	Balance
<b>ASSETS</b>		
<b>Cash</b>		
<b>OPERATING CASH</b>		
Operating Fund	1165	57,381.26
<b>Total OPERATING CASH</b>		<b>57,381.26</b>
<b>RESERVE ACCOUNTS</b>		
Reserves: SEHOA Reserve acct	1391	100,032.88
<b>Total RESERVE ACCOUNTS</b>		<b>100,032.88</b>
<b>Total Cash</b>		<b>157,414.14</b>
<b>TOTAL ASSETS</b>		<b>157,414.14</b>
<b>LIABILITIES &amp; CAPITAL</b>		
<b>Liabilities</b>		
<b>ACCOUNTS PAYABLE</b>		
Prepaid Assessments	2025	7,300.00
<b>Total ACCOUNTS PAYABLE</b>		<b>7,300.00</b>
<b>Total Liabilities</b>		<b>7,300.00</b>
<b>Capital</b>		
<b>Capital Stock</b>		
Reserve Equity	3030	95,391.00
<b>Total Capital Stock</b>		<b>95,391.00</b>
Calculated Retained Earnings		48,640.03
Calculated Prior Years Retained Earnings		6,083.11
<b>Total Capital</b>		<b>150,114.14</b>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>		<b>157,414.14</b>