

**Minutes of Meeting of the Executive Board of
Somerset Estates Homeowners Association (SEHOA)
June 11, 2019
Niwot Fire Station, CO**

1. **Call to order** - The meeting was called to order at 6:35 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.

Architectural Control Committee (ACC) member in attendance – Larry Becker
Homeowners in attendance – David and Arlee Kachensky
Property Manager in attendance – Al Orendorff, along with Garrett Quackenbush

3. **Approval of Prior Meeting Minutes** – Motion to approve minutes from the Executive Board meeting on May 28, 2019 made by BH, seconded by HM, approved unanimously, with abstentions from MA and MJ since they didn't attend that meeting.
4. **Property Manager's Report** – Pond 8 has been repaired and is being refilled. Protection of the new liner from UV exposure is needed to prevent it becoming brittle. Pond 7 intake has also been fixed. The waterfall has been running 24/7; this will be changed to 6 AM to 10 PM to save on electricity costs. The Pond 2 vault was cleaned. Fish are being added to all ponds to reduce algae. Tall native grasses on common areas have been mowed. Grass seed was added to bare spots and is being watered 4x/day, except Fridays. Sod was added to the north end of the Hwy 52 median. We planted 300 geraniums and 16 rose bushes with many compliments received on improved appearance. Additional mulch will be placed near the waterfall and roses. Road rut was filled in at a couple of locations on Somerset Drive. Trees and branches are being pruned that were damaged by late snow fall. The choke cherry trees on Somerset Drive will be pruned to clear the sidewalk. Temporary blinders were added to lights on the Somerset Estates signs at the entrance coming up Longview Drive. Al has requested lease of an additional 50 shares of CBT water.

Arlee Kachensky noted that the lawnmowers went over the first round of grass seed about 15 minutes after it was put down, which may partly explain the lack of germination. Al Orendorff to discuss with the Rock Solid Landscape supervisor. Arlee reported a damaged flowering tree on Outlot D – it is scheduled for removal. She also reported an underground sprinkler leak (sink hole) and broken sprinkler head within the Somerset Swim & Tennis Club fence. She will give lock box code to Garrett Quackenbush so he can repair.

5. **ACC Report/Approach to Deviation Notices** – Larry Becker reported that the ACC is about ready to send out letters to homeowners regarding deviations from the Architectural and Landscaping Standards. An example letter will be circulated to the Board for any comments. Discussion about whether it is better for all letters to go out at once or in groups. ACC to decide and report to Board on feedback received.

- 6. Approach to Reserve Study** – MJ presented an approach that starts with the difference between the baseline annual operating expenses and the annual assessment as the amount available for reserve funds and/or larger projects each year. The items included in reserves will be limited to large capital items (>~\$10,000), with smaller items handled in the operating budget. In the budgeting process, annual assessments should be adequate to cover the pro-rated annual cost of the reserve items, as well as the baseline expenses and smaller maintenance projects. We also need to consider one-time major expenses, such as upgrading the landscaping and installing a new water transfer line. The next steps in developing a long range plan are to review the assumptions in prior reserve studies, including useful life, remaining useful life, and cost estimates; validate the annual operating budget on a steady run rate; validate one-time items and costs; and create pro forma annual budgets and validate the annual reserve amount included in assessments. MJ will organize a working meeting with BH, PH, Al Orendorff, and Garrett Quackenbush to review assumptions and costs. Anthony Chirikos will be invited to participate as he was involved in the 2014 reserves study and subsequent review by the SHOA Separation Committee.
- 7. Reserve Study Policy** – CCIOA 38-33.3-209.5 requires SEHOA to adopt a Reserve Study Policy. A draft policy was discussed at the May 28, 2019 board meeting. Per that discussion, a final draft was circulated and discussed. One change was suggested to the paragraph on the funding plan for reserves. Motion made by MJ to adopt the Reserve Study Policy, as edited, seconded by BH, approved unanimously after allowing for any comments from those present. The policy will be posted on the SEHOA website.
- 8. Review Draft Rental Rules and Ballot and Proxy Rules** – Discussion of draft rental rules as allowed by the Declaration, Section 6.2.6, especially to specify minimum rental periods. Board agreed that short-term rentals (e.g., less than six months) are not in the best interest of the community. Revised draft will be forwarded to Scott Osgood, legal counsel to SEHOA, for comments and then communicated in the What's Up newsletter for homeowner comment, prior to final board approval.

Discussion of draft ballot and proxy rules to document how SEHOA conducts voting. MJ suggested that this should take the form of guidelines for information purposes, rather than mandatory rules that supplement what is already required by the various governing documents. PH to make revisions and forward to Scott Osgood for comments prior to final board approval.
- 9. Discuss Forming Roads Committee** – We all agree that the subdivision roads are in need of repair; however, the authority of the Association provided by the Declaration does not extend to these Boulder County roads. Maintenance of roads has been a long-standing dispute between the County and various subdivisions. We agreed that it might make sense for there to be an exploratory group to see what options might exist, even if any action taken is separate from SEHOA. Andrew Cousins has offered to assist with this. MJ to get more information from people in other subdivisions that have dealt with this issue.

10. Other Business – MA discussed donating a tree to the Fire Station’s landscaping project as a thank you for the use of the meeting room, along with a small stainless steel plaque. He will make arrangements.

11. Member Open Forum – No discussion.

12. Next meeting – Tuesday, June 25, 6:30 pm at Niwot Fire Station.

13. Adjourn - The meeting adjourned at 9:32 PM.

14. Executive Session – An Executive Session was convened at 9:35 PM in accordance with CCIOA 38-33.3-308(4)(f) for discussion of written and oral communication from Scott Osgood regarding fence and signage easements and responsibility. This session was adjourned at 10:05 PM.

A handwritten signature in cursive script that reads "Paula Hemenway".

Paula Hemenway, Secretary
June 13, 2019