

**Minutes of Meeting of the Executive Board of
Somerset Estates Homeowners Association (SEHOA)
June 11, 2020
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 Marc Arnold (MA), Paula Hemenway (PH), Mark Jensen (MJ), Herb McPherson (HM), and Michael Sims (MS) present. Due to the coronavirus pandemic, the meeting was held by video conference (Zoom). The website instructed homeowners to send a message to info@somersetstates-hoa.com to be provided with the link to join; this was posted more than a day before the meeting. Section 4.8 of the Bylaws provides that attending a meeting using electronic or telephonic communications is equivalent to being present in person.

Property Manager present – Al Orendorff (AO)

Homeowners present – Ron Budacz, Anthony Chirikos, Christa Dam, Mike Stears, Bob Uhler

- 2. Approval of Prior Meeting Minutes** – Motion to approve minutes from the Special Meeting of Executive Board on May 21, 2020, made by HM, seconded by MS, no discussion, approved unanimously.
- 3. Treasurer’s Report** – HM presented the attached report.
- 4. Property Manager’s Report** – Irrigation system is up and running. In process of flushing through several zone areas and fixing sprinkler heads and adjusting alignment. Rock Solid Landscapes is working with Garrett Quackenbush on the irrigation testing and repairs. Still waiting for wood to complete fence near Legend Ridge. Flowers are planted. Pond 7 has been repaired and is in process of filling. The main waterfall will be turned on once Pond 7 is full.
- 5. Consider Options to Address Pond 8** – MA reported that there has been a lot of constructive discussion about Pond 8. The Board is looking for guidance on this pond, which will also help us as other ponds reach the end of useful life. Bob Uhler has agreed to chair a task force to make recommendations to the Board regarding a decision about Pond 8. Bob outlined the approach as first to find an engineer with significant liner experience to compare the alternatives and provide a performance specification – turn-key functionality requirements, warranties, etc. The specification will then go to bidders for response along with any proposed exceptions. The engineer can help us evaluate these bids for best value solution and price. The task force will also look at the present situation and make recommendations to the Board about what to do to stabilize the south ponds as the temperature rises. The task force can help translate knowledge gained to other ponds, e.g., Pond 7. The task force members will include Herb McPherson (Board representative), Christa Dam, an owner that lives near pond, and Scott Abrahamson, a design engineer and owner that lives away from the pond. Bob hopes to complete recommendations to the Board within 45 days, 60 days at outside, but doesn’t want to make a commitment on timing he can’t meet. HM stated that task force members will make themselves available as much as needed to move this along. Group is 100% on board to tackle this project as quickly as possible. MA - The board will also make any requests a high priority.

Attached “Motion to Establish Pond 8 Restoration Taskforce” moved by MJ, seconded by MS, discussion follows, approved unanimously.

Question from Anthony Chirikos about costs during evaluation period. MA – Board will approve cost for engineer and stabilization activities. Mike Stears stated that he views this as a positive, fully endorses, agrees we needed a reset, and that Bob is a great leader. Bob said that most of the time we have breaks or maintenance issues, we can repair using existing resources. Need to consult an engineer when significant time has passed, want to evaluate new technologies, or with particularly challenging situations.

- 6. Long Range Financial Planning Update** – MS presented the preliminary work on developing a long range financial plan designed to help the Board determine actions needed to put SEHOA on solid financial footing for the years ahead. Questions and comments:

- HM - Does MS consider the Capital One account as reserves? Yes, it's a start for major repairs and replacements, but might be needed for SHOA resolution, etc. MS recommends that SEHOA keep about \$100k in unbudgeted operating funds for emergencies, etc.
- Anthony Chirikos – Very pleased to have MS's fresh eye on the reserves situation. Top priority of the board. Is the solution some type of special assessment? MS – We can't get to where we need to be over the next several years without material risk of degradation to the assets without a special ask of homeowners. Haven't asked in 30 years, can't go another 30 years without it. Will be creative to minimize ask to homeowners and risk. Don't want to repeatedly ask for special assessments for every major repair that comes up.
- MA – A well-funded HOA can be at substantially less than 100% funded reserve. MS – once we catch up with assets that need replacement in next 5-6 years, will have time to build reserves. So can start at ~30% funded in near-term.
- Ron Budacz – Suggested that we survey how long people have owned homes in SE. People that have been here through prior rains know that the assets are very worn. Wishful thinking that ponds other than pond 8 will last another 3-4 years. Knowing how long homeowners have been here might be helpful to how Board presents this to homeowners. Applauds all we've done so far, but time is running out. Make it like a capital call – amount is \$x, but there are unknowns (water rights, etc.), up-front need \$5k, then have a variable for next few years based on need. May or may not be called depending on what happens with some of the unknowns.
- HM – Information and experience from Pond 8 work will help with costs number on rest of ponds. PH – Providing budget costs might be follow-on task for engineer.

7. Other Business – MJ suggested that we should start thinking about recruiting for the board for next March.

8. Member Open Forum – None

9. Next meeting – Executive Board meeting on Tuesday, July 14, 2020 at 6:30 PM.

10. Adjourn - The meeting adjourned at 7:40 PM.

Paula Hemenway

Paula Hemenway, Secretary
June 18, 2020

Somerset Estates Homeowners Association

Treasurer's Report

MAY 2020

	MAY 2020	YTD-ACTUAL 2020	YTD-BUDGET 2020	YTD-VARIANCE 2020 Better/(Worse)	BUDGET 2020
INCOME and EXPENSE SUMMARY					
INCOME					
HOA DUES	\$ 2,025.00	\$ 119,081.33	\$ 100,125.00	\$ 18,956.33	\$ 240,300.00
Other Income	\$ 54.50	\$ 1,624.01	\$ 500.00	\$ 1,124.01	\$ 1,000.00
Interest	<i>Interest On Capital One Investment Acct. - See Below</i>				\$ 2,000.00
TOTAL INCOME	\$ 2,079.50	\$ 120,705.34	\$ 100,625.00	\$ 20,080.34	\$ 243,300.00
EXPENSES					
Administrative	\$ 1,376.50	\$ 25,654.51	\$ 45,550.00	\$ 19,895.49	\$ 99,675.00
Capital & Waterfall Repair	\$ -	\$ -	\$ 4,000.00	\$ 4,000.00	\$ 15,000.00
Landscape Maintenance & Enhancement	\$ 4,430.42	\$ 17,415.95	\$ 31,550.00	\$ 14,134.05	\$ 69,300.00
Lights & Fence & Path & Pond Maintenance	\$ 15,490.00	\$ 21,164.02	\$ 38,165.00	\$ 17,000.98	\$ 43,825.00
Utilities	\$ 1,037.87	\$ 1,871.49	\$ 2,500.00	\$ 628.51	\$ 12,000.00
Water	\$ 1,168.93	\$ 1,168.93	\$ 500.00	\$ (668.93)	\$ 3,500.00
TOTAL EXPENSES	\$ 23,503.72	\$ 67,274.90	\$ 122,265.00	\$ 54,990.10	\$ 243,300.00
NET OPERATING INCOME	\$ (21,424.22)	\$ 53,430.44	\$ (21,640.00)	\$ 75,070.44	\$ -
BALANCE SHEET					
ASSETS					
Operating/Checking Account					
Bank of the West		\$ 67,755.90			
Capital One Investment Account					
Account (Principal) Balance		\$ 133,509.51			
TOTAL ASSETS		\$ 201,265.41			
LIABILITIES and CAPITAL					
Accounts Payable (pre-paid Assessments)		\$ 11,025.20			
Capital Stock and Retained Earning		\$ 190,240.21			
TOTAL LIABILITIES & CAPITAL		\$ 201,265.41			
* Interest~ Capital One Investment Acct. @ 1.75%	\$ 197.60	\$ 966.10	\$ 500.00	\$ 466.10	\$ 2,000.00
* Legal + Professional Fees Re: Resolution of Assets	\$ -	\$ 6,710.21	\$ 28,000.00	\$ 21,289.79	\$ 65,000.00
* Legal & Accounting & Property Mgr.	\$ 1,075.00	\$ 5,637.50	\$ 8,500.00	\$ 2,862.50	\$ 19,250.00
* Mowing	\$ 1,090.00	\$ 1,090.00	\$ 2,200.00	\$ 1,110.00	\$ 17,800.00
* Irrigation/Ponds/Pumps Maintenance & Repair	\$ 3,490.00	\$ 9,100.00	\$ 10,100.00	\$ 1,000.00	\$ 25,500.00
* MOU Split w/SHOA	\$ 698.42	\$ 4,584.42			
	0 - 30 Days	30 - 60 Days	60 - 90 Days	Over 90 Days	
Dues Outstanding - \$2,125.32 / 4 Homes	\$81.65 / 3 Homes	\$2,043.67 / 4 Homes	\$0.00 / 0 Homes	\$0.00 / 0 Homes	

Somerset Estates Homeowners Association
Motion to Establish Pond 8 Restoration Taskforce

RESOLVED, that the Executive Board of Directors supports the restoration of Pond 8 to a functioning wet pond and to that end hereby establishes a Pond 8 Restoration Taskforce, consisting of four members, and that such Taskforce shall be established with the following powers and duties:

- i) To recommend to the Board a contract to an engineer firm with expertise in water holding liners to develop the project requirements for Pond 8 restoration. The engineer's scope would include: evaluate the present situation to include past activities related to vendors, create a performance specification, solicit providers, evaluate bids and, later, sufficient construction close-out supervision to assure specification compliance. Should past proposals of vendors be sufficient to give the engineer comfort to comparative acceptable outcome, the scope can be condensed in the interest of expedition;
- ii) To recommend to the Board the installation contract for the best-value provider with cost estimate, warranties and time to completion described;
- iii) Subject to customary budgetary oversight, to conduct and inform the Board, of intermediate operational activities for Pond 8 stabilization of the residual organics and water. Activities to be executed through the Property Manager;
- iv) To provide advice to the Board regarding implications for Pond 7 liner repair issue.

RESOLVED, that such Water Infrastructure Taskforce shall initially consist of the following persons:

Bob Uhler, Chairman
Herb McPherson (Board representative)
Christa Dam (Community Representative)
Scott Abrahamson (Community Representative)

RESOLVED, that any actions taken by members of this Taskforce prior to the date of the foregoing resolutions adopted hereby that are within the authority conferred thereby are hereby ratified, confirmed and approved as the acts and deeds of SEHOA.

RESOLVED, that a copy of this motion shall be retained in SEHOA's minute book.