

**Minutes of Meeting of the Executive Board of
Somerset Estates Homeowners Association (SEHOA)
May 12, 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. The link itself was not posted due to security concerns. 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)
ACC member present – Larry Becker

For Agenda Item #7

Homeowners present – Mike Stears, Steve DeWitt, Ron and Grace Budacz, Christa Dam
Attorney representative for Ron and Grace Budacz – Christopher Ernst, invited as a courtesy

- 2. Approval of Prior Meeting Minutes** – Motion to approve minutes from the Executive Board meeting on April 14, 2020 as edited, made by MA, seconded by HM, approved unanimously.
- 3. Enforcement Hearing (8274 Cattail Dr)** – Executive Board served as “impartial decision maker” (“IDM”) to hear and make a decision with respect to the notice from the Board dated April 6, 2020 regarding the absence of pool equipment screening and sound buffering as required by SEHOA’s Architectural and Landscaping Standards, Section IV (Architectural Standards). The owner didn’t attend the hearing, so the decision was made based on several emails from owner to MA, as well as related documents researched by board members. Consideration was given to the emails, a review of language in governing documents in effect at time the equipment was installed (1991), and a review of the original landscaping plans, which show the pool but not the equipment.

Motion that lack of screening of pool equipment as identified in the October 15, 2019 complaint from the Architectural Control Committee (ACC) and noticed in the April 6, 2020 letter from the Executive Board constitutes a violation of Section IV of the Architectural and Landscaping Standards, made by HM, seconded by PH, no further discussion, approved unanimously.

MA to mail written warning letter of first violation to the owner within five days on behalf of the IDM. Satisfactory remedy will be either vegetation of sufficient height and width to screen equipment now or some other type of enclosure. If not remedied within 30 days, the first fine of \$100 will be imposed as a second violation without an additional notice and hearing. The fines schedule will be included in the letter.

- 4. Treasurer’s Report** – HM presented the attached report. He noted that it is difficult to compare YTD actual to budget because expenses aren’t uniformly timed.
- 5. Water Committee** – Motion to appoint Anthony Chirikos to the Water Committee to fill the vacancy created by Bob Uhler’s resignation, made by HM, seconded by MS, no discussion, approved unanimously. MA will inform Sue Grampp, SHOA President, of the change. Discussion of other homeowners with water expertise who might be added to the committee. MA to discuss with John Ryan, Water Committee Chair.
- 6. Enforcement Hearing (6476 Cranberry Ct)** – Owner failed to appear at the hearing and did not provide a written response to the notice from the Board dated April 6, 2020 regarding four landscape maintenance issues that violate SEHOA’s Architectural and Landscaping Standards, Section V (Maintenance and Upkeep). Failure to appear or respond constitutes a no contest plea to the complaint and no hearing was required according to the SEHOA Fines and Enforcement Policy.

Motion that four landscape maintenance issues identified in the October 12, 2019 complaint from the ACC dated October 12, 2019 and noticed in the April 6, 2020 letter from the Executive Board constitute a violation of Section V of the Architectural and Landscaping Standards, made by PH, seconded by MJ, no further discussion, passed unanimously.

MA to mail written warning letter of first violation to the owner within five days on behalf of the Board stating that satisfactory remedy will be correction of all four issues identified by the ACC. If all four are not remedied within 30 days, the first fine of \$100 will be imposed as a second violation without an additional notice and hearing. The fines schedule will be included in the letter.

Enforcement Hearing (8532 Strawberry Ln) - Owner failed to appear at the hearing and did not provide a written response to the notice from the Board dated April 6, 2020 regarding six landscape maintenance issues that violate SEHOA's Architectural and Landscaping Standards, Section V (Maintenance and Upkeep) and that the owner's rental practices violate two provisions of SEHOA's Declaration, Section 6.2 and Rental Rules, adopted August 13, 2019. Failure to appear or respond constitutes a no contest plea to the complaint and no hearing was required according to the SEHOA Fines and Enforcement Policy.

Motion that six landscape maintenance issues identified in the October 12, 2019 complaint from the ACC dated October 12, 2019 and noticed in the April 6, 2020 letter from the Executive Board constitute a violation of Section V of the Architectural and Landscaping Standards, made by MA, seconded by MJ, no further discussion, approved unanimously.

Motion that two rental practices identified in the April 6, 2020 letter from the Executive Board constitute a violation of Section 6.2 of SEHOA's Declaration and SEHOA's Rental Rules, adopted August 13, 2019, made by PH, seconded by MJ, no further discussion, passed unanimously.

MA to mail written warning letter of these two violations to the owner within five days on behalf of the Board stating that: 1) Satisfactory remedy of the Architectural and Landscaping Standards violation will be correction of all six issues identified by the ACC. If all six are not remedied within 30 days, the first fine of \$100 will be imposed as a second violation without an additional notice and hearing. 2) Satisfactory remedy of the Rental Rules violation will be to provide proof of registration of this property as a short-term dwelling rental with Boulder County and modification of the VRBO website to explicitly state that the property may only be occupied by a single family, not to exceed 8 people. If both are not remedied within 30 days, the first fine of \$100 will be imposed as a second violation without an additional notice and hearing. The fines schedule will be included in the letter.

- 7. Pond 8 Short-term Actions / Long-term Options** – The failure of the liner in Pond 8 on the common area on the south side of the development was noted at the March 24 board meeting. Preliminary research on options were discussed at the April 12 board meeting. One of the follow-up actions was to communicate with the homeowners near Ponds 8-11 including sending a letter on May 7 inviting them to participate in the discussion at this board meeting. MA reviewed the background information about the Pond 8-11 system and the implications of the Pond 8 liner failure, including the potential for stagnant water as the weather warms. MA reviewed potential short-term actions to stabilize the situation until a long-term decision can be made. These actions could include disposing of the exposed torn liner or removing and disposing of all the liner (some of which is under a layer of organic material), drying out the system other than Ponds 9 and 10, continuing to fill Ponds 9 and 10 from the irrigation system, and adding aerators and carp to Pond 9 to reduce algae growth. Below is summary of homeowner comments (not word for word transcriptions).

Mike Stears –Discussions have been held between the three homeowners (Stears, Dam, and Budacz) and Steve DeWitt. Objected to short notice given to prepare for this meeting. Speaking for the group: 1) would like to get copy of bids and quotes, 2) all four parties are in agreement that they don't think we need a short-term plan as might take urgency off long-term plan, 3) Pond 8 should be returned as a working pond – feels there is a lot of momentum to turn it into a dry pond, 4) entire group is willing to help however possible and work collaboratively.

Steve DeWitt – Commented that this should be considered as part of an overall capital improvement plan as recommended in the 2014 reserve study done by SHOA. He thinks a special assessment might be about \$5000/lot to replace all the pond liners and fix all the fences to bring SEHOA back up to premier state that it was 20-25 years ago. Recent dues increases should pay for some of this, including the Pond 8 liner. Hundreds of people walk down that path – big impact if one pond is all of a sudden missing and a bad signal to the community that Somerset Estates isn't taking care of its property. Likes seeing the wildlife on the ponds.

Christa Dam – They have been here just over a year. Of particular concern is that we only have one bid so far from Dub's on the replacement of the liner, and she thinks we should get minimum of three bids. She has been talking to other large pond owners and found three major manufacturers/installers – two in CO and one in UT. Two are preparing detailed bids (Nilex (UT) and Raven (CO)). Also talked to seven smaller companies; five might bid, in active conversations with three. She doesn't expect the smaller companies to be price competitive. She expects Nilex might be significantly cheaper than Dub's.

Ron Budacz – Ron reviewed some of the history of these ponds, which were constructed when he was SHOA President in 2000. He paid \$45k for McGraw (developer) to landscape the area and continues to pay several thousand dollars a year to keep Pond 10 clear of cattails. He put in a 6" pipe so that he can circulate water from top of his property to cascade down to Pond 10 in case the entire system wasn't maintained. He anticipated 20 years ago that the cost to maintain would eventually become a problem because passing any kind of dues increase in the former SHOA was very difficult. As this is in his backyard, he is concerned that his crystal ball is telling him that not fixing Pond 8 is the first domino in a series. He applauded the day that SEHOA split from the rest of SHOA three years ago as a first step to fix the things that are wrong in Somerset Estates as it gets us away from "not in my backyard" attitude of lower Somerset. He is concerned that paying for this by special assessment will create a new division between Snowberry and the rest of Somerset Estates, which will affect everybody's property values. These ponds are a benefit to us as a new Somerset/HOA and also as a safe haven for animals/waterfowl sanctuary. Wants to solve this problem to the betterment of the community, working together in a harmonious way to get it finished. Not in a hurry – wants it done right.

Conclusion – Do nothing now except plan another meeting for further discussion after receiving additional information on other bids and condition of other pond liners. MA to circulate possible dates for a special board meeting. As with any special meeting, all homeowners will be invited to participate.

8. **Other Business** – Carpenter Fence is still on hold getting pressure treated wood of the correct type to install the new section of fence on the east side of Somerset Dr. AO to ask John Quinby of Pretty Fences to add another coat of stain to replacement boards along Somerset Dr and Longview Dr when he comes to do the new section of fence.

HM – The clear-out of cattails in stream from ponds 4-7 was done too soon – shoots are starting up again. RSL should come back and clip to ground level right before we start to fill the ponds. The RSL crew rested for four hours because work was done more quickly than RSL must have anticipated, so it's reasonable to ask them to come back for a second pass at no added cost. AO reported that we can't start water flow until after a whale (large bubble under liner) in liner of Pond 7 is fixed.

9. **Member Open Forum** – None

10. **Next meeting** – Executive Board meeting on Tuesday, June 9, 2020 at 6:30 PM. Special Board meeting to advance discussion on pond liners the week of May 18 – TBD.

11. **Adjourn** - The meeting adjourned at 10:30 PM.



Paula Hemenway, Secretary
May 19, 2020

Somerset Estates Homeowners Association

Treasurer's Report

APRIL 2020

	April 2020	YTD-ACTUAL 2020	YTD-BUDGET 2020	YTD-VARIANCE 2020	BUDGET 2020
				Better/(Worse)	
INCOME and EXPENSE SUMMARY					
INCOME					
HOA DUES	\$ 55,931.33	\$ 117,056.33	\$ 80,100.00	\$ 36,956.33	\$ 240,300.00
Other Income	\$ 250.00	\$ 1,569.51	\$ 500.00	\$ 1,069.51	\$ 1,000.00
Interest		<i>Interest On Capital One Investment Acct. - Below</i>			\$ 2,000.00
TOTAL INCOME	\$ 56,181.33	\$ 118,625.84	\$ 80,600.00	\$ 38,025.84	\$ 243,300.00
EXPENSES					
Administrative	\$ 8,090.91	\$ 24,278.01	\$ 40,075.00	\$ 15,796.99	\$ 99,675.00
Capital & Waterfall Repair	\$ -	\$ -	\$ 4,000.00	\$ 4,000.00	\$ 15,000.00
Landscape Maintenance & Enhancement	\$ 450.00	\$ 12,985.53	\$ 13,250.00	\$ 264.47	\$ 69,300.00
Lights & Fence & Path & Pond Maintenance	\$ -	\$ 5,674.02	\$ 37,855.00	\$ 32,180.98	\$ 43,825.00
Utilities	\$ -	\$ 833.62	\$ 2,000.00	\$ 1,166.38	\$ 12,000.00
Water	\$ -	\$ -	\$ 500.00	\$ 500.00	\$ 3,500.00
TOTAL EXPENSES	\$ 8,540.91	\$ 43,771.18	\$ 97,680.00	\$ 53,908.82	\$ 243,300.00
NET OPERATING INCOME	\$ 47,640.42	\$ 74,854.66	\$ (17,080.00)	\$ 91,934.66	\$ -
BALANCE SHEET					
ASSETS					
Operating/Checking Account					
Bank of the West		\$ 88,555.12			
Capital One Investment Account					
Account (Principal) Balance		\$ 133,311.91			
TOTAL ASSETS		\$ 221,867.03			
LIABILITIES and CAPITAL					
Accounts Payable (pre-paid Assessments)		\$ 10,400.20			
Capital Stock and Retained Earning		\$ 211,466.83			
TOTAL LIABILITIES & CAPITAL		\$ 221,867.03			
* Interest~ Capital One Investment Acct. @ 1.75%	\$ 190.95	\$ 768.50	\$ 500.00	\$ 268.50	\$ 2,000.00
* Legal + Professional Fees Re: Resolution of Assets	\$ 6,710.21	\$ 6,710.21	\$ 25,000.00	\$ 18,289.79	\$ 65,000.00
* Legal & Accounting & Property Mgr.	\$ 1,075.00	\$ 4,562.50	\$ 6,100.00	\$ 1,537.50	\$ 19,250.00
* Mowing	\$ -	\$ -	\$ -	\$ -	\$ 17,800.00
* Irrigation/Ponds/Pumps Maintenance & Repair	\$ -	\$ 5,610.00	\$ 8,600.00	\$ 2,990.00	\$ 25,500.00
* MOU Split w/SHOA	\$ 405.60	\$ 3,886.00			
Dues Outstanding - \$4,068.67 / 7 Homes	30 Days \$4,068.67 / 7 Homes	60 Days \$0.00 / 0 Homes	90 Days \$0.00 / 0 Homes	Over 90 Days \$0.00 / 0 Homes	