

**Minutes of Meeting of the Executive Board of
Somerset Estates Homeowners Association (SEHOA)
October 13, 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.

Property Manager present – Al Orendorff (AO)

Pond 8 Task Force Chair present – Bob Uhler

Architectural Control Committee (ACC) Chair present – Larry Becker

- 2. Approval of Prior Meeting Minutes** – Motion to approve minutes from the Meeting of the Executive Board on September 8, 2020 made by PH, seconded by MS, no further discussion, approved unanimously.
- 3. Property Manager’s Report** – Ditch water is now off, which means the waterfall and irrigation is stopped. We were able to fill about 75-80% of pond 8 with ditch water. The irrigation system will be blown out in early November. Fall aeration is done. Rock Solid Landscape (RSL) will do fall clean-up in a couple of weeks. Fence staining of new section is finished. MA acknowledged how much better the fence looks. Arborist work underway to remove dead trees and branches. No additional major tree work in 2020, so we will have some budget savings there. MJ noted that the wind has rolled up some of the straw mats near pond 8. AO expects to propose updated property management contract that includes additional staff – he needs scope of additional work to include for inspections. AO to meet later in November with PH and someone from the ACC to draft 2021 contract for property management services. HM asked about how we can encourage people to not park on the streets. Could be a What’s Up article to remind people to not park on the street except temporarily.
- 4. Treasurer’s Report** – HM presented the attached report through September. Excess income over expenses is \$10K YTD. We transferred \$32,250 from the Capital One (reserves) account to Bank of the West to pay H2J for the pond 8 materials and other current expenses.
- 5. Pond 8 Task Force Wrap Up** – Bob Uhler reported on the work of the Pond 8 Task Force. Completing the project, especially during Covid, was an enormous amount of work. The total project cost including demolition and disposal, engineering, and construction was \$88,825, plus whatever the cost was to remove and then reinstall the pump. A future similar pond would probably be around \$85,000 if the demolition and disposal is included in the construction contract, but it was done separately to save time. A few minor items remain to be completed by the contractor, but Bob doesn’t anticipate any difficulties with closing out the project. He expects the pond to last 25-30 years. The restored pond is safer than before because of a more gradual slope, as well as rock and fabric covering that extends further down. When filling the pond, they discovered that there is an underground bypass of the pond 9 to 8 weir. This needs to be further evaluated in the spring of 2021. Recommendations include to get an engineer’s estimate before future projects are bid and decide whether to proceed before asking for actual bids. Also, keep medium and larger size trees (such as volunteer cottonwoods) away from edges of ponds. Okay to have grasses and smaller bushes. Bob will write up a lessons learned/after action report, which will be greatly appreciated by the Board. MA stated how fortunate we are to have Bob’s expertise and motivated homeowners to volunteer time. **Motion to decommission the Task Force made by MS with the caveat that Bob Uhler continues to have authority to close out the project, seconded by PH, no further discussion, approved unanimously.**
- 6. Long Range Planning / Review Model / Formulate Funding Plan** – MA reviewed at a high level how we can explain the situation to the community. MS updated the status of this planning work. MJ thinks the calendar to put a special assessment to a vote in November may be too ambitious. Plan is to hold a town hall meeting on October 27 to communicate plan; we can decide after that whether we need a second information

meeting, perhaps on a weekend. Plan for board approval at November or December board meeting, depending on extent of homeowner feedback, with vote count in January. HM recommended reducing the amount of information in the presentation for the town hall meeting. Larry Becker advised not showing too many choices. AO is concerned about voting over the holidays. The bigger the size of the proposed special assessment, the more communication needed. MA's preference is to not push this out after the first of the year. He will request signs for October 27 meeting. Discussion about size of proposed special assessment and future dues increases led to tentative consensus of \$5000 plus 1% delta on dues over inflation.

7. **Review Architectural & Landscaping Standards Update** – Board has received draft version 2 of the Architectural and Landscaping Standards. Discussion of what actions the board can take if an owner feels that a process wasn't followed properly or if it's an "edge" case where the Standards didn't anticipate a situation, as those are the only two situations where the board expects it might weigh in. Larry Becker said that ACC doesn't want to be a situation where the board is overruling the ACC and that ultimately he wants the ACC to make the decision. He agreed that one option for the board to take in a review and appeal situation is to request the ACC to consider proposing a revision to the Standards for board approval, followed by a reconsideration the application based on the revised Standards. PH will assemble all board comments on version 2 and give one set of feedback to ACC.
8. **Request for Voluntary Advance Dues Payments** – HM presented a MOU on some prepaid dues made by certain homeowners to assist with cash flow. We have received about \$12-15,000 so far and expect another few homeowners to prepay \$5000 each. Discussion followed about how these prepayments will be handled in the accounting software. AO – if someone doesn't pay the quarterly dues, the idea is that they will still be charged late fees, etc. but the accounting software will automatically draw from the credit balance. Would require a manual journal entry. MS will help AO with the accounting software. Agreement that we should give all homeowners the opportunity to participate rather than this being something specifically for certain homeowners with an interest in a particular project. MA stated that we don't want to give anyone the impression that this was done behind the scenes, so he will include in next issue of What's Up. We need to document the process in case used in future. AO asks that all references to the Property Manager be removed from the MOU as he is not a party to the agreement. **Motion made by PH to authorize HM to execute MOUs with homeowners who have or intend to prepay, seconded by MJ, no further discussion, approved unanimously.**
9. **Insurance Options** – PH presented quotes from State Farm for consideration as lower cost alternative to current Farmers policies. State Farm offers two Directors and Officers policies. PH to research these further and make final recommendation at next meeting.
10. **Enforcement Actions** – LB reported that ACC may have a two or three enforcement referrals to the board if attempts to resolve fail.
11. **Outlot Aesthetics** – Routine maintenance will include removal of weeds and bushes around ponds.
12. **Other Business** – PH will circulate to the board a draft article about Somerset Estates for Niwot Country Living magazine.
13. **Member Open Forum** – None
14. **Next meeting** – Executive Board meeting on Tuesday, November 17, 2020 at 6:30 PM (note change of date from November 10)
15. **Adjourn** - The meeting adjourned at 10:19 PM.

Paula Hemenway

Paula Hemenway, Secretary

Somerset Estates Homeowners Association

Treasurer's Report

SEPTEMBER 2020

	SEPTEMBER 2020	YTD-ACTUAL 2020	YTD-BUDGET 2020	YTD-VARIANCE 2020 Better/(Worse)	BUDGET 2020
INCOME and EXPENSE SUMMARY					
INCOME					
HOA DUES	\$ 2,775.00	\$ 181,400.00	\$ 180,225.00	\$ 1,175.00	\$ 240,300.00
Other Income	\$ 86.25	\$ 1,821.31	\$ 1,000.00	\$ 821.31	\$ 1,000.00
Interest	<i>Interest On Capital One Investment Acct. - See Below</i>				\$ 2,000.00
TOTAL INCOME	\$ 2,861.25	\$ 183,221.31	\$ 181,225.00	\$ 1,996.31	\$ 243,300.00
EXPENSES					
Administrative	\$ 1,130.65	\$ 36,464.01	\$ 78,312.50	\$ 41,848.49	\$ 99,675.00
Capital & Waterfall Repair	\$ 32,070.00	\$ 32,070.00	\$ 15,000.00	\$ (17,070.00)	\$ 15,000.00
Landscape Maintenance & Enhancement	\$ 5,853.19	\$ 56,984.11	\$ 53,150.00	\$ (3,834.11)	\$ 69,300.00
Lights & Fence & Path & Pond Maintenance	\$ -	\$ 56,865.99	\$ 41,805.00	\$ (15,060.99)	\$ 43,825.00
Utilities	\$ 2,368.90	\$ 8,987.97	\$ 9,000.00	\$ 12.03	\$ 12,000.00
Water	\$ -	\$ 1,168.93	\$ 3,500.00	\$ 2,331.07	\$ 3,500.00
TOTAL EXPENSES	\$ 41,422.74	\$ 192,541.01	\$ 200,767.50	\$ 8,226.49	\$ 243,300.00
NET OPERATING INCOME	\$ (38,561.49)	\$ (9,319.70)	\$ (19,542.50)	\$ 10,222.80	\$ -
BALANCE SHEET					
ASSETS					
Operating/Checking Account					
Bank of the West		\$ 75,130.76			
Capital One Investment Account					
Account (Principal) Balance		\$ 102,019.98			
TOTAL ASSETS		\$ 177,150.74			
LIABILITIES and CAPITAL					
Accounts Payable (pre-paid Assessments)		\$ 48,900.20			
Capital Stock and Retained Earning		\$ 128,250.54			
TOTAL LIABILITIES & CAPITAL		\$ 177,150.74			
* Interest~ Capital One Investment Acct. @ 1.75%	\$ 172.31	\$ 1,726.57	\$ 1,000.00	\$ 726.57	\$ 2,000.00
* Legal + Professional Fees Re: Resolution of Assets	\$ -	\$ 13,043.24	\$ 51,000.00	\$ 37,956.76	\$ 65,000.00
* Legal & Accounting & Property Mgr.	\$ 1,075.00	\$ 9,937.50	\$ 14,400.00	\$ 4,462.50	\$ 19,250.00
* Mowing	\$ 2,180.00	\$ 11,905.00	\$ 12,800.00	\$ 895.00	\$ 17,800.00
* Irrigation/Ponds/Pumps Maintenance & Repair	\$ 2,647.30	\$ 37,837.76	\$ 21,600.00	\$ (16,237.76)	\$ 25,500.00
* MOU Split w/SHOA	\$ 2,451.19	\$ 13,718.39			
	0 - 30 Days	30 - 60 Days	60 - 90 Days	Over 90 Days	
Dues & Fines Outstanding - \$2100 / 2 Homes	\$1,200 / 2 Homes	\$600.00 / 2 Homes	\$300 / 2 Homes	\$0.00 / 0 Homes	