

**Minutes of Meeting of the Executive Board of  
Somerset Estates Homeowners Association (SEHOA)  
September 8, 2020  
By Video Conference, Niwot CO**

- 1. Call to Order and Quorum** - The meeting was called to order at 6:32 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](mailto: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)

Architectural Control Committee (ACC) Member present – Scott Abrahamson

Homeowner present – Anthony Chirikos

- 2. Approval of Prior Meeting Minutes** – Motion to approve minutes from the Meeting of the Executive Board on August 18, 2020, as edited, made by HM, seconded by MJ, no further discussion, approved unanimously.
- 3. Property Manager’s Report** – Water is turned off and flowers are covered to protect from the freeze on September 8-9. Rock Solid Landscapes (RSL) has aligned more sprinkler heads. John Quinby of Pretty Fence is having trouble getting more of the stain to complete the fencing, but he expects he will be able to get it (change in formulation). Pond 8 pump will be refurbished and ready to be reinstalled once pond project is completed. A small list of trees need work – dead limbs by Hwy 52 and hawthorns by pool. Will look at remaining cottonwoods by pond 2 in the winter. Boulder White Rock Ditch Company (BWR) is being difficult about water measurement from ditch. Shouldn’t have a problem with ditch approval for installing a mag meter for more accurate measurement. Boulder Reservoir is being drained through ditches that run by us. Boulder Left Hand Ditch (BLH) is only running dedicated C-BT shares, so we won’t get water from that ditch this season. Usually BWR shuts down a couple of weeks after BLH, but that doesn’t appear to be happening this year because of draining of Boulder Reservoir. Don’t have definitive date for end of BWR water flow, but expect to be able to get water until at least the end of September.
- 4. Treasurer’s Report** – HM presented the attached report (interim report at meeting; final as attached provided shortly thereafter). Excess income over expenses is \$53k YTD, but that will dissipate over next few months as expenses come in. Arrearages are higher this month, both quarterly dues and late fees, penalties, etc. Late accounts receive a notice by mail, which usually takes care of the matter. HM and PH to review year-end estimates after full financials are received for August.
- 5. Long Range Planning / Action Steps Ahead** – MS updated the status of this planning work. PH and MS to meet with AO to review the line item detail (asset register in chart of accounts). MS will look at AppFolio as software to manage plan when implemented (used by AO). MS has looked into loan options and found that revolving credit facilities and interest-only loans are frowned upon. Loans to HOAs are typically only used for construction projects. Lenders prefer a structured note with some flexibility in terms of tranches. \$1 million term note over 10-15 years @ 4.5% leads to big interest costs, so changes dynamics in the model. MS needs two years of financials from AO or HM to give to a potential lender to compare to information from CIT received by MA. Board agreed that assumption behind plan is that we intend to replace all assets as they fail (although option to retire assets always exists at the time of failure). For overall plan, variations in assumed costs isn’t material. Doesn’t make sense to take on a fixed rate note that includes water rights that are highly variable and imprecise in costs and availability. Next steps: Ask Osgood about pre-approval of a special assessment that is callable within 30 days; complete asset register; revise general ledger; decide how to value potential water rights costs for planning; further investigate loan scenarios. All board members can participate with turning knobs of the model. MJ is looking for a strategy to give homeowners participation in process and noted problem of staging assessments – what will future boards be like? Won’t know who will be in charge of those funds. AO – best to provide information meetings leading up to the vote - soft lead in. Board should coalesce on a plan, then present to community. Work session on Monday September 21 from 11AM to 2 PM.

Scott Abrahamson noted that we should be prepared that some homeowners may push back on keeping all the assets. Anthony Chirikos advised that we plan on town hall meetings; consider voting before the end of the year. AO recommended uncoupling a special assessment meeting from the annual meeting.

- 6. Architectural & Landscaping Standards Proposed Update** – Scott Abrahamson reported that the ACC is close to getting the draft v2 of the Standards to the board for review and will give the board a marked version within the next week. After getting board comments, we can post the final draft for homeowner comment with an article in What’s Up explaining the substantive changes.
- 7. ACC membership / Upcoming Vacancies** – Motion to re-appoint Larry Becker and Bob Uhler for additional two-year terms made by PH, seconded by MS, no discussion, approved unanimously. MJ suggested adding a permanent section to What’s Up of volunteer opportunities – board, ACC, welcome committee, etc. – how to volunteer, who to contact.
- 8. Enforcement Actions** – Motion to suspend membership privileges of habitual offender for two properties per Section 3.4.4 (11) of the Declaration for Somerset Estates made by PH, seconded by MJ, no discussion, approved unanimously. AO will mail notices of fourth violations for associated properties, including notice of this action.  
  
AO and a couple of board members to look at vegetation around pond 7 to see if causing a problem with the liner. Suggested that we get an opinion from the Lamp Rynearson engineer on the vegetation effect on the pond. The ACC will also revisit property after the 45 days compliance period is past to check on status.
- 9. Property Manager Role Discussion** – Board would like for AO to give consideration to what it would take for him to handle the periodic inspections of the lots and enforcement. AO to make proposal on revised contract scope for 2021.
- 10. Outlot Aesthetics** – The board received a complaint about the “weeds” around pond 9 and inadequate mowing. This has always been a natural area, but agreed that we should have a maintenance plan and include it in plan every year. Some decorative grasses around this pond were intentionally planted, but other vegetation is unintended. We need to define what we want it to look like, what that will take, and include in scope of work for RSL bid for 2021. PH and HM to work with AO on plan and getting budget to implement.
- 11. Monument Corners** – Need to communicate on maintenance expectations once A&L Standards are available.
- 12. Other Business** – MS has website suggestion on highlighting community as a parade of homes. Need a couple of thousand dollars for professional photographs to better market community. Could ask for volunteers in community to showcase their homes. PH is investigating another insurance proposal. We need advice on appropriate level of liability coverage, perhaps from a broker.
- 13. Member Open Forum** – None
- 14. Next meeting** – Executive Board meeting on Tuesday, October 13, 2020 at 6:30 PM
- 15. Adjourn** - The meeting adjourned at 9:09 PM.
- 16. Executive Session** – Called to order in accordance with CCIOA 38-33.3-308 (4)(f) at 9:10 PM to discuss oral communication from legal counsel regarding settlement negotiations with SHOA; adjourned at 9:20 PM.



Paula Hemenway, Secretary  
September 21, 2020

**Somerset Estates Homeowners Association**

**Treasurer's Report**

**AUGUST 2020**

	<b>AUGUST</b>	<b>YTD-ACTUAL</b>	<b>YTD-BUDGET</b>	<b>YTD-VARIANCE</b>	<b>BUDGET</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
				Better/(Worse)	
<b>INCOME and EXPENSE SUMMARY</b>					
<b>INCOME</b>					
HOA DUES	\$ 675.00	\$ 178,625.00	\$ 160,200.00	\$ 18,425.00	\$ 240,300.00
Other Income	\$ -	\$ 1,735.06	\$ 1,000.00	\$ 735.06	\$ 1,000.00
Interest	<i>Interest On Capital One Investment Acct. - See Below</i>				\$ 2,000.00
<b>TOTAL INCOME</b>	<b>\$ 675.00</b>	<b>\$ 180,360.06</b>	<b>\$ 161,200.00</b>	<b>\$ 19,160.06</b>	<b>\$ 243,300.00</b>
<b>EXPENSES</b>					
Administrative	\$ 3,684.10	\$ 35,330.36	\$ 70,537.50	\$ 35,207.14	\$ 99,675.00
Capital & Waterfall Repair	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Landscape Maintenance & Enhancement	\$ 4,346.51	\$ 51,130.92	\$ 47,650.00	\$ (3,480.92)	\$ 69,300.00
Lights & Fence & Path & Pond Maintenance	\$ 5,634.00	\$ 56,865.99	\$ 41,245.00	\$ (15,620.99)	\$ 43,825.00
Utilities	\$ 2,677.07	\$ 6,619.07	\$ 7,000.00	\$ 380.93	\$ 12,000.00
Water	\$ -	\$ 1,168.93	\$ 3,500.00	\$ 2,331.07	\$ 3,500.00
<b>TOTAL EXPENSES</b>	<b>\$ 16,341.68</b>	<b>\$ 151,115.27</b>	<b>\$ 184,932.50</b>	<b>\$ 33,817.23</b>	<b>\$ 243,300.00</b>
<b>NET OPERATING INCOME</b>	<b>\$ (15,666.68)</b>	<b>\$ 29,244.79</b>	<b>\$ (23,732.50)</b>	<b>\$ 52,977.29</b>	<b>\$ -</b>
<b>BALANCE SHEET</b>					
<b>ASSETS</b>					
<b>Operating/Checking Account</b>					
Bank of the West		\$ 40,842.25			
<b>Capital One Investment Account</b>					
Account (Principal) Balance		\$ 133,701.02			
<b>TOTAL ASSETS</b>		<b>\$ 174,543.27</b>			
<b>LIABILITIES and CAPITAL</b>					
Accounts Payable (pre-paid Assessments)		\$ 8,300.20			
Capital Stock and Retained Earning		\$ 166,243.07			
<b>TOTAL LIABILITIES &amp; CAPITAL</b>		<b>\$ 174,543.27</b>			
* Interest** Capital One Investment Acct. @ 1.75%	\$ 198.47	\$ 1,554.26	\$ 1,000.00	\$ 554.26	\$ 2,000.00
* Legal + Professional Fees Re: Resolution of Assets	\$ 2,532.03	\$ 13,043.24	\$ 45,000.00	\$ 31,956.76	\$ 65,000.00
* Legal & Accounting & Property Mgr.	\$ 1,075.00	\$ 8,862.50	\$ 13,200.00	\$ 4,337.50	\$ 19,250.00
* Mowing	\$ 2,725.00	\$ 9,725.00	\$ 10,000.00	\$ 275.00	\$ 17,800.00
* Irrigation/Ponds/Pumps Maintenance & Repair	\$ -	\$ 35,190.46	\$ 19,600.00	\$ (15,590.46)	\$ 25,500.00
* MOU Split w/SHOA	\$ 2,431.79	\$ 11,267.20			
<b>Dues &amp; Fines Outstanding - \$3,429.50 / 8 Homes</b>	<b>0 - 30 Days</b>	<b>30 - 60 Days</b>	<b>60 - 90 Days</b>	<b>Over 90 Days</b>	
	\$454.50 / 4 Homes	\$200.00 / 2 Homes	\$2,775.00 / 6 Homes	\$0.00 / 0 Homes	