

**Minutes of Meeting of the Executive Board of
Somerset Estates Homeowners Association (SEHOA)
August 20, 2024
136C 2nd Ave, Niwot, and via Zoom**

- 1. Call to Order and Quorum** - The meeting was called to order at 6:32 PM. Quorum met for Executive Board meeting with Anthony Chirikos (AC), Jon Gillespie-Brown (JGB), Paula Hemenway (PH), Steve Lehan (SL), and Tim Koller (TK) present.

Property Manager present – Al Orendorff (AO)

Homeowners present – Steven DeWitt, Kate and Mike Harris, Candice and Erik Hoenes, Danny Lindau, James Macintosh, Herb and Shalia McPherson, and Jeff Shellan

Herb McPherson asked if the meeting could be recorded. As last month, the request was denied.

- 2. Approve Prior Meeting Minutes** – Draft minutes for the July 17 meeting were published for comments. After receiving a homeowner request for many changes to the summary section of the Open Forum #1 comments, the Board decided to follow standard corporate practice and limit the minutes to the topics discussed. MOTION to approve revised minutes from the Meeting of the Executive Board on July 17, 2024 made by AC, seconded by JGB, no further discussion, approved unanimously.
- 3. Treasurer’s Report** – Report for July 2024 is attached. The \$5,000 that was moved from the reserves to operating account for cash flow purposes in June has been moved back to reserves.
- 4. Highway 52 Entrance Project Status** – The monuments at Hwy 52 have been repaired with new stucco and polished letters. No homeowner feedback was received on new sketch of the median light in What’s Up #98. Specifications for the light are being prepared, and cost with a new pole is around \$4,550 plus installation. Bid received from Lindquist Outdoor Lighting for new strip lighting above the letters, accent lights in the trees, and wall washers on the Hwy 52 monuments at total cost of \$14,547. The plan is to repair the existing lights on the Longview monuments. The capital budget for the lighting is \$33,000. MOTION to approve up to \$25,000 for new lighting at the entrances made by AC, seconded by JGB, no further discussion, approved unanimously.

AO has received budget costs to clear the areas in front of the Hwy 52 monuments from GTL and RSL, both around \$6,000. Discussion that it may be getting too late to plant this fall so we may want to leave the existing plants in place until next spring. This will push the \$40,000 capital budgeted for this part of the project into 2025. PH to ask Josh McCarn, landscape architect, for a plan view of the planting.

- 5. Decision on Easement Ponds Special Committee** – To address the issues raised at the July 17, 2024 Board meeting regarding ponds 4-7 (the “Easement Ponds”), the Board proposed creating a Special Committee to gather information that will help SEHOA make decisions about the Easement Ponds, present their findings to the homeowners and the Board, and recommend next steps. This proposed charter was published to the homeowners on August 15 and in What’s Up #98 on August 17. Some revisions were made based on homeowner feedback. The revised charter is attached. MOTION to approve the revised Easement Ponds Special Committee Charter made by PH, seconded by JGB, after discussion, approved unanimously.

MOTION to appoint Steve Lehan, Anthony Chirikos, John Klein, James Macintosh, and Kip Sharp to the Easement Ponds Special Committee made by PH, seconded by JGB. Discussion about the qualifications of these possible members and why they were chosen instead of others. Suggestion and agreement that the committee select its own chairperson rather than it needing to be one of the two Board members. After discussion, approved unanimously. SL will call the first meeting as interim chair

and will ask that an early task be to provide a timeline for the committee to complete its work. TK will ask for reports at monthly Board meetings.

6. Property Manager's Report –

Irrigation: A number of leaks were repaired, including at the entry to the pool, inside the pool area, at Longview and Coralberry, on Somerset Dr by the south Snowberry entrance, at Cherry, and behind Bellflower. The leak behind Bellflower was larger as the riser was cracked, the valve needed to be raised, and a drain valve was replaced with a QD to facilitate faster winter drainage. Numerous sprinkler heads were also replaced. We still have two leaks at Snowberry and another in the pool parking lot that will be repaired soon. Roots are pinching the irrigation line near the north Cherry monument and a repair is under evaluation. The system is old and on-going leaks are expected.

Ponds and waterfalls: More water was added to pond 8. We believe there are leaks in pond 10 and know of leaks in the waterfall between ponds 10 and 9. Due to on-going hot, dry weather, we are maxed out on irrigating the grass and can expect some dry areas due to the need to either reduce water pressure by watering more than one zone at a time or by cutting down watering times. GTL is removing vegetation around ponds 8 and 9 and cleaned algae from pond 4. The cleanout of the main waterfall is complete.

Other: The third grass fertilization and weed treatment is done. Eagle Striping completed crack sealing of the asphalt paths. GTL will paint the sign frames of the street monuments when time is available. GTL is preparing a bid to regrade both sides of the street to stop water from pooling at the corner of Longview and Bellflower.

7. ACC Update – The ACC has recently sent 15 compliance notices and most have been resolved.

- Possible change to responsibility for landscaping in front of certain monuments. Eight out of 27 street monuments have extra landscaping beyond rocks and grass in front of the monument. Maintenance was designated in the Lot Easement Policy as the responsibility of the homeowners; however, this has proven to be a confusing distinction. The Board will communicate with the owners of the lots in question about changing the responsibility to SEHOA, which may mean removal of some existing plantings.
- Discussion of Architectural & Landscaping Standards relating to garbage cans. Due to the on-going presence of bears, it has been suggested that the Standards be modified to require that all garbage be kept in a garage and only put on the street the morning of collection. Discussion that keeping cans in the garage is already recommended and it would be difficult to require or enforce early placement of cans (between 5 and 6 AM), so no change will be made.

8. Compliance issue regarding dog barking – The Board has received a complaint about dogs barking in a yard outside. AO has spoken to the owner and was told that two of the dogs have bark collars but one does not. This is a problem in that the Declaration does not allow an owner to have more than two dogs that are left unattended in a yard (two total, not two at a time). The owner has said she will be more attentive and possibly install a fenced area inside the overall yard. If the situation doesn't improve, a compliance notice will be sent to the owner.

9. Other Business – PH noted that some changes were made to CCIOA in 2024 that require a review of SEHOA policies. SL said that a new Colorado law requirement that Accessory Dwelling Units (ADUs) be allowed will not go into effect for at least a year as Boulder County must first set regulations.

10. Member Open Forum – Kate Harris suggested that the Board provide educational information on CCIOA to homeowners. Herb McPherson asked if we still have an ad-hoc pond 3 committee. JGB responded that it is paused for now.

11. Next meeting – September 17, 2024, at 6:30 PM, at the 136C 2nd Ave, Niwot

12. Adjourn - The meeting adjourned at 8:10 PM.

Paula Hemenway

Paula Hemenway, Secretary
August 23, 2024

Somerset Estates Homeowners Association - Treasurer's Report						
Operating and Reserve Fund(s)						
Balance Sheet and Summary Income Statement						
July 2024						
BALANCE SHEET						
As of July 30, 2024						
	Operating Fund	Reserve Fund	Total			
ASSETS						
Operating/Checking Account						
FirstBank	\$48,371	\$0	\$48,371	\$9,355	Change since last month	
Investment/Reserve Account						
Liquid Assets Account	\$0	\$87,113	\$87,113	Expiry	Interest Rate	Reporting Freq
6-Month CD	\$0	\$298,976	\$298,976	n.a.	Varies (0-2.5%)	Monthly
Total Reserve Accounts	\$0	\$386,089	\$386,089	12/25/24	4.64%	Half Year
TOTAL ASSETS	\$48,371	\$386,089	\$434,459			
LIABILITIES & FUND BALANCE						
Fund Balance	\$48,371	\$386,089	\$434,459			
TOTAL LIABILITIES & FUND BALANCE	\$48,371	\$386,089	\$434,459			
Statement of Revenues, Expenses, and Changes in Reserve Balance						
	Month of July, 2024			YTD July, 2024		
	Operating Fund	Reserve Fund	Total	Operating Fund	Reserve Fund	Total
REVENUES						
HOA Dues	\$70,027	\$0	\$70,027	\$213,802	\$0	\$213,802
HOA Violations & Fines / Late Fees	\$0	\$0	\$0	\$10,397	\$0	\$10,397
Transfer Fees	\$0	\$0	\$0	\$600	\$0	\$600
Miscellaneous Income (Pond 7 Surcharges)	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income	\$0	\$82	\$82	\$0	\$7,973	\$7,973
TOTAL REVENUES	\$70,027	\$82	\$70,109	\$224,800	\$7,973	\$232,773
EXPENSES						
Administrative	\$1,461	\$0	\$1,461	\$25,699	\$0	\$25,699
Landscape Maintenance	\$7,314	\$0	\$7,314	\$48,601	\$0	\$48,601
Water Infrastructure Maintenance	\$10,349	\$0	\$10,349	\$18,407	\$0	\$18,407
Other Infrastructure Maintenance	\$2,171	\$0	\$2,171	\$8,085	\$0	\$8,085
Utilities - Electric	\$2,711	\$0	\$2,711	\$3,497	\$0	\$3,497
Utilities - Water	\$0	\$0	\$0	\$2,653	\$0	\$2,653
Landscape Capital Projects	\$0	\$1,320	\$1,320	\$0	(\$180)	(\$180)
Water Infrastructure Capital Projects	\$0	\$0	\$0	\$0	\$60,527	\$60,527
Other Infrastructure Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$24,006	\$1,320	\$25,326	\$106,942	\$60,347	\$167,289
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$46,022	(\$1,238)	\$44,783	\$117,858	(\$52,374)	\$65,485
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TRANSFER BETWEEN OPERATING FUND and RESERVE FUND	(\$5,000)	\$5,000	\$0	\$0	\$0	\$0

Somerset Estates Homeowners Association - Treasurer's Report

Total Funds

Income Statement

July 2024

	Month Actual	Year-to-Date			Approved Budget 2024
		Actual	Budget	Better/ (Worse)	
REVENUE and EXPENSE SUMMARY					
REVENUE					
HOA Dues	\$70,027	\$213,802	\$212,775	\$1,027	\$292,975
HOA Violations, Fines and Late Fees	\$0	\$10,397	\$10,000	\$397	\$10,000
Transfer Fees	\$0	\$600	\$0	\$600	\$0
Interest Income	\$82	\$7,973	\$5,000	\$2,973	\$10,000
TOTAL REVENUES	\$70,109	\$232,773	\$227,775	\$4,998	\$312,975
EXPENSES					
Administrative	\$1,461	\$25,699	\$28,309	\$2,610	\$37,450
Capital Expenses	\$1,320	\$60,347	\$88,000	\$27,653	\$262,000
Landscape Maintenance	\$7,314	\$48,601	\$48,555	(\$46)	\$75,160
Water Infrastructure Maintenance	\$10,349	\$18,407	\$18,135	(\$272)	\$46,000
Other Infrastructure Maintenance	\$2,171	\$8,085	\$10,845	\$2,760	\$12,200
Utilities - Electric	\$2,711	\$3,497	\$3,550	\$53	\$18,000
Utilities - Water	\$0	\$2,653	\$276	(\$2,377)	\$3,000
TOTAL EXPENSES	\$25,326	\$167,289	\$197,670	\$30,381	\$453,810
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$44,783	\$65,485	\$30,105	\$35,380	(\$140,835)
Outstanding Dues and Fines					
	<u>0 - 30 Days</u>	<u>30 - 60 Days</u>	<u>60 - 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Dollars	\$5,128	\$80	\$0	\$826	\$6,033
# of Homes	8	1	0	1	8

SEHOA: Charter and proposed process for Easement Ponds Special Committee to address questions relating to Ponds 4-7 (the “Easement Ponds”)

Approved by SEHOA Board on August 20, 2024

Charter: The charter of the Easement Ponds Special Committee (“committee”) is to gather information that will help SEHOA make decisions about the Easement Ponds, present their findings to the homeowners and the Board, and recommend next steps.

Special Committee Composition: The Easement Ponds Special Committee will be appointed by the Executive Board and shall initially consist of five committee members.

Overall Objective is to Address these questions:

1. Does the collective SEHOA community stand to gain or lose by moving to abandon or remove or otherwise transfer to lot owner control the Easement Ponds or to change the function of the ponds (for example by installing a localized pump at the waterfall)?
 - a. Cost/benefit analysis.
 - b. Broad consequences.
 - c. Risks.
2. What is the nature of SEHOA’s legal responsibility for the Easement Ponds?
 - a. Obligated to maintain/reline.
 - b. Prohibited from maintaining/relining.
 - c. Reasonable authority maintain/reline.
 - d. Other?
3. How does the committee recommend that the board proceed, considering all information gathered on Easement Pond usage, legal issues, and capital investment requirements?

Rules and Conduct of the Special Committee: The committee will be governed by the following rules:

- For any recommendations or opinions offered by the committee to the board, these opinions will be determined by a majority vote of the committee. If the committee is “split” on its perspective or otherwise cannot come to a consensus view to present to the board, then the board shall hear both or multiple perspectives as applicable.
- Committee members shall treat one another and the board with respect and dignity. No personal attacks or similar language will be permitted in discourse.
- The board reserves the right to add to or remove persons from the committee as necessary to ensure that the committee is functional.
- No commitment to spend HOA funds with third parties (on legal advice, engineering questions or otherwise) shall be permitted without express consent of the board.

Special Committee Process: The board and the committee will undertake the following process in fulfillment of its Charter, and to address the questions and considerations outlined here.

- **Phase 0: Board creates the committee and appoints members**
 - Five members: 2 Board members and 3 homeowners.
 - Committee selects one of the members as chair of the committee.
 - Board reviews this Charter with the committee.

- Board makes clear to committee that whatever the ultimate outcome, any recommendations it makes are not binding on current or future boards or future homeowner votes (except for any recommended projects completed).
- **Phase 1: First information gathering**
 - Committee embarks on an information gathering phase using existing information and sources, including a review all existing documents related to the ponds (engineering reports and drawings, existing legal opinions, documents related to the creation of the ponds, and governing documents of SEHOA).
 - Interview those they believe can bring relevant information. These interviews will be conducted in private, only the committee members and interviewee. This is to avoid audience members interjecting or interfering. The interviews will not be recorded. One committee member will be appointed to take detailed notes. These notes will be used by the committee to prepare their report. Notes taken by any member will not be disseminated beyond the committee or board.
 - If needed, obtain budget estimates from qualified contractors to rebuild/reline ponds 4-7, including an estimate for costs beyond the ponds' boundary (e.g., landscape and irrigation repair) and engineering and supervision and to install a localized waterfall pump in a rebuilt pond 3.
 - After the committee has gathered all the information it believes is relevant and available, it will inform the board whether or not it has enough information to prepare a report to the homeowners and board or whether it would like to invest in gathering additional information from engineers and lawyers or other professionals. A majority vote of the committee will be required. If the committee can't reach a majority, the board will decide after listening to the pros and cons of doing additional research.
- **Phase 2: Additional information gathering**
 - Following board approval, the committee outlines and gathers any additional information from lawyers, engineers and others.
- **Phase 3: Once the committee has completed its information gathering**
 - The committee will prepare a presentation of their findings that includes an educational component about the workings and history of ponds 4-7 within the context of the overall infrastructure.
 - The committee will provide a recommended course of action to the board, which could include a recommendation for a homeowner vote, via special assessment or straw poll or some other mechanism.
 - The committee will present their report and recommendations at a special meeting of the board and homeowners. No action will be taken at this meeting.
 - The board will decide on next steps, including possibly organizing a homeowner vote on a special assessment, amendment to the Declaration, or straw poll.
- **Phase 4**
 - Homeowner vote or other next step as determined by the board.