

**Somerset Homeowners Association
Board Meeting Minutes
Wednesday, August 10, 2011**

Board Members: Mike Atkins, Dave Edwards, Milena A. Smith

Property Manager: Al Orendorff, Legal Mark Biddison

Community: Garret Quackenbush,

ACC: Steve DeWitt

Meeting Started: 7:00 PM

Minutes: July 12, 2011.

Motion to approve as amended: Mike Atkins, 2nd Milena Smith - Approved

Property Manager's Report

August 8, 2011

Operating Account bank balance: = **\$65,301.78** as of July 31, 2011. - **\$68,164.48** as of August 8, 2011.

Accounts receivable: = **\$ 15,578.00** as of July 31, 2011, - **\$12,703. 00** as of August 8, 2011

Defense Account as of July 31, 2011= **\$20,126.88**

Reserve Account as of July 31, 2011= **\$27,372.64**

The budget numbers going forward will reflect the adjustment to our existing revenue stream as the proposed budget increase has yet to be approved.

Using comparative analysis of expenses and income to the end of July between 2010 and 2011, we managed to reduce expenditures by \$34,606.39. However, when compared to the revised budget, we are only \$2,003.62 under budget in expenses for the year.

Assessment Vote: Ballot results as of July 8th, - 125 have responded to the assessment ballot. Of the 125 who responded, 87 approved the assessment cap increase and 38 did not approve. This represents a 69.6% approval rate. The number of approvals required is now at 25.

Treasurer's Report

August 10, 2011

July total income was \$37,513 and expenses \$34,280 with a net income of -\$3,233.

<u>Year-to-date</u>	<u>*</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% of Budget</u>
Income	158,380	161,675	-3,295	98.0	
Expenses	93,173	128,579	-35,406	72.5	
Net Income	65,207	33,096	32,111	197.0	

*Through July 31, 2011 based on proposed dues increase that has not been approved.

Accounts receivable are -\$727

A/R >90 days total \$9,705

Bank balance is \$65,302

Defense Fund is \$21,127

Reserve Fund \$27,373

Line items that have substantial variance from budget should be reviewed.

David L. Edwards, Treasurer

Milena Smith Approves the Treasurer's Report

Irrigation/Landscape:

Waterfall & Pond 4 Issues: We have met with several contractors regarding the repair of the main waterfall and ponds 3 and 4 as well as the waterfall upper pond. If we were to use a polyurethane liner on all ponds, at 120 mil thickness, the total cost to reline all ponds is estimated to be just over \$30K, including the cost of stabilizing the waterfall.

We have two bids to for stabilization. Haywood Baker bid estimate is \$5,600 and the bid estimate from Seal it Up is \$3,500. We have estimated polyurethane on line at \$10 - \$12 per square foot and Seal it Up came in under \$5 per square foot including cleaning and prep.

If we are to get the Estates irrigation system running properly, it is essential that we get pond 4 repaired to allow water to flow down to Pond 7 where the primary Estates irrigation pumps and waterfall pumps are located. Further, failure to get the gravity flow transfer flowing will result in stagnant ponds and potential damage to the other ponds due to exposure of the liners.

At a minimum, we must get pond 4 operational, therefore we are also getting bids to rebuild pond 4 to compare against the polyurethane solution. I expect to have a price for rebuilding pond 4 prior to the board meeting.

As for the waterfall, we have secured a second lower cost for slip-lining the broken supply pipe. An initial quote was \$4,600, and we managed to get a verbal quote from Aqualine Services for \$3,000. I have asked for a written verification. Further, we are investigating a lower cost, on the lesser damaged ponds and streams. In discussing solutions with several pond repair companies, a product called Xypex can be used on the positive (water) side of a repair. The cost for this solution is significantly lower than polyurethane (i.e. < 5%) The only issue that has been raised with Xypex is the ability to withstand the freeze/thaw cycles of winter weather. We are researching this product as a solution and will contact the manufacturer if necessary.

Using a combination of Xypex and polyurethane could bring the total repair cost to around \$20K. We will still have the expense of clearing out the waterfall vegetation; however the cost estimate is around \$2-3K.

We have managed to keep the irrigation system in the Estates running by installing a second set of pumps into pond two.

Several leaks in the Place and Heights were identified and repaired. We continue to find new surprises as we discovered two previously unknown valves that started to leak along the paved path to the west pond. These valves were replaced and we now have the ability to adequately water grass along the path should the board decide to.

Significant breaks in several areas along Niwot Road have been identified and most of these repaired. Other problem areas have been identified and will be repaired in August. A significant line break was found in the Greenwood Island irrigation system. This break will be fixed in early August. There are at least 6 valves that once activated, do not shut off. These zones have been shut down until we can replace the valves.

The pump and motor at the Indian pond failed and was replaced at a cost of approximately \$1,000. The pump for the lower end irrigation system failed and a new motor was installed on the pump in late July. The cost of replacing the motor was around \$2,500.

There is a main line and zone valve running under the sidewalk by the main waterfall which we believe has been leaking for some time. This leak needs to be further investigated since we pressurized the system from the pond 2 pump, the leak has stopped. Therefore the possibility exists that the leak is either coming from the pond 3 (waterfall base pond, or from the waterfall supply line. We will investigate further once we get the main irrigation system going.

The under-drain in the cement swale by the telephone company is totally blocked with roots and has a possible break. After further study it appears as though we can get the roots cleared out to relieve the water backup. We will have this line rootered out to alleviate the immediate issue however; we will need to excavate the area to repair the under-drain pipe.

As stated in the June report, we have put together a significant list of projects and submitted them to the Board for review, and continue to update the list as new projects come to light. We believe there are significant leaks in the Eagle pond as well as pond 8, as these ponds drain more quickly than in previous years.

ACC:

ACC members were not in attendance to give an update on the Roof Repair Approval Letters that needed to be submitted by the committee.

Old Business:

2011 Budget Ballot Results/Plan:

We still require 25 approvals. 125 have responded to the assessment increase ballot vs 168 total. Of the 125 who have responded, 87 approved the assessment cap increase and 38 did not respond. This represents a 69.6% approval rate.

Waterfall Condition & Repair Costs:

Contractor bids are still being accepted and ideas to close-down Pond 4 and its' amenities were entertained in order to reduce costs overall. The waterfall could still be entertained, however weighing in the actual NEED for Pond 4 as it stands instead of placing underground piping was considered viable to reducing costs.

S&T Response to letters sent:

Mike Atkins wrote a response letter to the S&T Club, leaving out the homeowners in the correspondence, which was signed by Mike. Al will place on letterhead and mail the letter this week.

LHWD Revised Agreement & Tap:

Not covered.

Pond 5 Repair Update/Review:

Al stated the need to repair Pond 4 first and stabilize it using Polyurea as a liner on the Pond area. Milena mentioned the comments that came in from the Heights and Place regarding the upkeep and heightened costs of the ponds and their 'upscale' nature at a cost and burden to those in the Heights and Place that do not benefit directly from these features.

Al counteracted by stating that SHOA has paid for costs that were accrued for underdrain repair issues between the telephone exchange location to Sawtooth Lane that benefited only the Heights and Place residents.

New Business:

Landscape Costs Review Committee:

Not covered

Open Member Discussions:

Issues regarding excessive costs on the Ponds and their features were covered and discussion to 'fill-in' unnecessary ponds that serve no actual benefit to Somerset as a whole were discussed. Milena entertained the idea to close down the ponds on the far south boundary of Somerset as the channels between the ponds were overgrown by landscaped grass and vegetation that no water was flowing between the three ponds. These ponds supposedly receive waters from Legend Ridge. The overgrowth of vegetation is due mainly to over-landscaping these pond features that need to work and function as drainage control and retention. However, the western pond was not full to capacity, the central pond was full and the eastern pond was empty. Flow to the western pond seems to have been impeded, against its' design, by overgrowth and excessive landscaping.

Next board meeting: To be determined.

Meeting Adjourn: 7:40 pm

David Edwards motioned; Mike Atkins: 2nd.