

Somerset Homeowners Association

Board Meeting Minutes

Thursday, April 7, 2011

Board Members: Mike Atkins, Dave Edwards, Milena Smith, Ajay Sreenivas; Shalia MacPherson

Property Manager: Al Orendorff **Landscape:** Garret Quackenbush

Community:

ACC:

Meeting Started: 6:39pm

Minutes: January 26, 2011. Mike Atkins gave motion to approve, Shalia 2nd

February 22, 2011. MA to restructure these Meeting Meetings

Property Manager's Report:

Operating Account bank balance: = **\$48,899.90** as of March 31, 2011. - **\$56,199.90** as of April 6, 2011.

Accounts receivable: = **\$ 50,460.00** as of December 31, 2010. - **\$43,160. 00** as of April 6,, 2011.

Defense Account as of March 31, 2011= **\$20,113.64**

Reserve Account as of March 31, 2011= **\$27,354.64**

Since we have yet to determine what the actual anticipated revenue is for 2011, we do not have a monthly budget prepared. We can either define the budget based on \$1,300 per year or at \$1,500 (assuming we get the assessment cap increase approval. Please let the property manager know the Board's desires here.

The property manager has supplied a reference to YTD expenses with the 2010 YTD expenses. As of the end of March, 2011, the SHOA is \$8,389.60 below the same period in time in 2010. Two items account for this; 1) the HOA did not have as much carry-over expense in 2011 and 2) the HOA has delayed any expenses until the budget has been finalized. We are attempting to boost cash in the operating account by delaying necessary repairs. If we had an emergency the HOA may not have sufficient funds. Operating this way will cause increased expense in the future.

Ballot results as of April 5th: - Exactly 50% of the members (84) have responded to the assessment ballot. Of the 84 who responded, 56 approved the assessment cap increase and 28 did not approve. This

represents a 66.67% approval rate. Several comments regarding the proposed maximum cap increase expressed comments that they would approve a lower dues increase. This indicates that many still do not understand the difference between the assessment cap and the annual dues. I suggest that we attempt another mailing to all members who have yet to respond as well as those who responded NO clarifying the difference between the cap and the annual dues. As the Board knows, we have identified over \$700K worth of services and reserves required to keep Somerset in prime condition.

The property on Daylilly changed hands in March. BB&G LLC is now continuing the construction of the home.

As requested by the Board, a lien was filed on the Cranberry property and no response or payment has been received. Further we have a non responsive member on Snowberry as all correspondence mailed is returned "undeliverable". Attempts to contact by phone have not been successful. I suggest that we turn this account over to legal for collection.

There is another property on Strawberry that is attempting to work with their bank on a short sale. I have been told that once he is able to sell the property, we will be paid all back dues owed at closing. This is scheduled to happen sometime in the next 2-3 weeks.

We continue to look for ways to reduce power consumption in the development. Earlier this year, the water level in Pond 8 in the open space was seriously low. We turned off the recirculation pump which should save us around \$300/month. The low water level in Pond 8 is a concern as this may indicate a hole in the liner. Over the past 10 years, this is the lowest this pond has been over the winter months. We will need to monitor water levels in these ponds to see if there is a serious leak.

We are also delaying start up on the water fall pumps for both the Indian Pond and the main waterfall s at the top of the hill. Repairs need to be made to the Indian pond as it started leaking late last year. Repairs were delayed due to cash flow issues. QES will repair the pond over the next 4-6 weeks. Once repaired, we will start the Indian pond.

I recommend that we hold off starting the main waterfall pumps until the May 24th holiday weekend, and at that time, only run these pumps 16 hours per day. This will assist in reducing our power usage.

66% approval to date.

Al states that members simply didn't understand the letter. Proposes to send out letter to those that said NO. Bullet line letter and explain in short why the assessment is proposed.

We have 56 yeses. Need 112. A none vote is a NO vote.

Mike Atkins will provide a short letter followed by phone calls. Letter to include: explanation as to why are we raising dues, what the dues cover and what won't be paid for next year. Boardmember David Edwards volunteered to write the letter.

Mike Atkins motioned to run the Pump from 9-9pm daily to cut back on electricity. Milena 2nd motion.

Treasurer's Report:

March total income was \$15,038 and expenses \$5,277 with a net income of \$9,761.

Actual vs. budget and variance data are not available since a 2011 budget has not been finalized.

Accounts/Receivable >90 days total \$7,480 with Hauck, 8532 Strawberry Lane LLC, Ross and Stull being most of it.

Bank balance is \$48,900

Defense Fund is \$20,114

Reserve Fund \$27,355

Total Assets/Equity \$95,623

Q1 2011 vs. Q1 2010:

Income \$67,798 vs. \$75,275 (-9.9.0%)

Expenses \$19,043 vs. \$27,432 (-31.6%)

Net income \$48,556 vs. \$47,842 (+1.9%)

Irrigation/Landscape:

The snow gods are assisting our budget this year. Normally, we will have the carry-over expense from December as well as some snow plowing expenses in January. Year to date we have only one snow plowing expense for the year.

Normally, we would be working on ditch cleaning and tree trimming in February and March. We have delayed work in these areas due to funding issues. The longer we delay work here, the more it will cost later.

Left Hand Water District watered the newly planted trees at the water tank twice over the winter. Each time Left Hand watered the trees they also watered the new trees the SHOA planted along the water tank hill. It appears as though the Cimarron Ash were the only trees that did not survive transplanting. Rainbow Nursery is offering some good deals on trees this spring, however all purchases are on hold.

We have significant problems with the ground lights at HWY 52. All ground lights and the wiring infrastructure may need to be replaced. Since we still have the main post lamp in the island, work on the monument lights is on hold. We have received some comments here; however the Board will need to prioritize projects based on available funds.

The transfer line pump needs to be either repaired or replaced. We will be pulling this pump in the next week to determine the problem and make the necessary repairs.

In an effort to reduce both electric usage and water consumption, we will be completing the installation of the pumps at pond 2. We already have the pump and most of the material required to install the pump. Once installed, we plan to water only at night, reducing electrical usage at peak daytime rates. Further we plan to adjust several zones to be water every other day or every 3 days, thus reducing the amount of water the SHOA uses. This will be a significant change from how we have watered in the past. Previously pumps needed to run 24/7 watering all areas daily. We can monitor the amount of water used which will aid us in determining the total number of additional water shares the SHOA will need to acquire.

We have put together a significant list of projects and submitted them to the Board for review. The list includes repairs to paths, building reserves for pond liner replacement, fence replacement and several, building a reserve to purchase additional water shares and many other projects. The Board will need to provide direction here, based on the funds available.

ACC:

The Resnick property at Cherry Court is looking to install a swimming pool and complete major landscape upgrade. The ACC has been contacted regarding this plan; however they have also removed the roof and garage doors. I have requested the ACC follow up to ensure ACC approval has been granted on these projects as well.

Old Business:

2011 Budget Ballot Results:

Al and David E. will work on the letter.

Prioritization of Budgeted Activities:

Intended to identify the items in 2011 if budget not approved. Al took spreadsheet given out in meeting and covered items that would not be covered as projects identified over a 5-year cycle. Al compared colored items against the budget and stripped those out coming up with a total \$43,245. Al's passion is taking care of the pump.

New Business:

LHWD Revised Agreement & Tap:

Mike Atkins, Garret and Al- met with LHWD (Chris) to request consolidate agreement into one to give HOA appropriate access for mowing. Board is waiting for document to come in from the District before approval. Tap issue needs to be resolved in the agreement.

Annual Meeting Date and Details:

Mike Atkins' originally scheduled the 5th but will be out of town. Mike proposes new dates in May: 11, 12, 23, 25 and 26. Annual meeting is set for May 11, 2011.

Open Member Discussion:

Meeting Adjourn: 8:15pm

Mike A motioned; Ajay 2nd.