



NORTHMOOR ACRES HOMEOWNERS ASSOCIATION

NORTHMOOR ACRES HOMEOWNERS ASSOCIATION Annual Meeting March 18, 2017 Minutes

Call to order and Verification of Quorum: The 44rd Annual Meeting of the Northmoor Acres Homeowners Association held at the Johnstown community center was called to order at 9:07 A.M. by Northmoor Acres Homeowners Association president Susy Ruof. There are 63 lots represented in person and proxy. We do not have a quorum which requires 72 lots in person and by proxy. The meeting is adjourned. The meeting was called to order at 9:11 A.M. At this second meeting, a quorum is 36 lots in person or by proxy and we have 65 so we have a quorum.

Agenda: President Ruof presented the Agenda for approval. A motion was made to approve the agenda. The motion was seconded and the agenda was approved unanimously.

Introduction: President Ruof outlined meeting etiquette and the procedure to be followed for the meeting: We try to follow Robert's Rules of Order as best we can. The order for items in the agenda will be followed and if members have items that they wish to bring up, they are asked to please fill out the "Items from the Membership" form and those will be discussed at the end. President Ruof will ask for a motion and a second, and then a discussion may be held. A vote on the motion will follow. Discussion and conversation will be limited to 3 minutes to allow everyone a chance to speak. The membership was reminded that members may express opinions about the Association or Board business but no personal attacks, profanity or shouting will be tolerated. Homeowners who are speaking are requested to please use the audience microphone so they can be heard.

Welcome: President Ruof welcomed the membership. President Ruof asked new members to stand up so they can be recognized. New members that were present introduced themselves. The new neighbors are: Rick and Ruth Staples who live on Northmoor Drive, Larry and Sue Hogan who live on Cactus Drive, and Kirk and Ariel Gerstner who live on Northmoor Drive.

Introduction of Board and Review of the year: President Ruof thanked the Board of Directors. The Board of Directors is a group made up of dedicated volunteers. Board members were introduced and a brief background was given for each Board member. President Ruof noted that this is a very diverse, hardworking Board who gives hours of their time to the community. Some members are new to Northmoor and some members have lived here a long time. She explained that we belong to Community Associations Institute (CAI), a national/state association that helps us with education and offers resources to help us with good governance. President Ruof introduced the Board members:

Deb Coulson, the Vice-President, has been on the Board for 5+ years this time and was previously on the Board in the 2000's for three years, she has lived here for about 17 years. Currently serving as chair of all committees except the ACC. She has a business and financial background and has been instrumental in having a new website designed, and heading the Governing Document Committee, which is getting the Northmoor governing documents updated. She has worked renting the water shares

every year, prepared the quarterly newsletter, and organized the garage sale. She kept the homeowner database up to date, and made sure homeowners got their assessment refunds last year. She has made many other contributions to the community and has been a valuable asset to the Board. Her term ends this year and she is not running again; however, she will continue to chair the Governing Documents Committee.

Ginny Hersch, Secretary, has been on the Board for 24 years and has served as Secretary for most of that time. She also serves on the ACC. She is now partially retired from her job as a paralegal.

Shawn Rieke, Treasurer, has been on the Board for 12 years, has lived here for 23 years but has been attending meetings for 25 years. Previously he served as the treasurer and was willing to pick that role back up again last year. He works for a weather instrumentation company.

Ben MacFarlane is serving as Director of Analysis. He moved to Northmoor 4 years ago with his wife and four children and has been on the Board for 1 year, also serving on the Oil and Gas Committee and Water Analysis Committee. He has worked in the oil and gas industry for 15 years.

Robert Sprague is serving as the Director of Property. He has lived in Northmoor for 12 years with his wife and seven children. He has worked in commercial construction with the same company for 25 years. He is also serving on the Oil and Gas, Water Analysis and Governing Document Committees. He and Kim Gardner chaired the concrete ditch cleanup last spring, took care of greenbelt mowing and other property issues.

Charles McCollum is serving as the Director of Events. He has lived in Northmoor for 2 and a half years, has been on the Board for 1 year and served on the ACC for almost a year. He has been a commercial airline pilot for 11 years. He is stepping down this year.

Kim Gardner is serving as the Director of Resources. He has been on the Board this time for 2 years and was on the Board before in the 1980s for 10 years, he has lived here for 43 years since 1974. He is also serving on the Oil and Gas Committee, Water Analysis Committee and Governing Documents Committee.

Roy Rutt serves as Governmental Liaison. He has lived in Northmoor for more than 35 years, he came in 1980, and has been on the Board this time for 2 years. He was on the Board before, serving as president, and has served in numerous capacities over the years when needed. He is stepping down this year.

Susy Ruof, the President, has been on the Board for 13 years this time and has been President for 6 years. She was also on Board in the 1980s for about 5 years and was President then. She has lived in Northmoor for over 35 years and raised her two children here. President Ruof explained her background working as a school psychologist and working as a Co-Chair of the Statewide Crisis Response Team for schools in Colorado. Her goal for the HOA is to provide continuity and a sustainability plan to help the Homeowners Association going forward.

Other Thanks:

The spouses of the Board members were recognized and thanked for their support and help. They were asked to stand up.

Past Board members were recognized and thanked. There were 8 or 9 past Board Members in attendance.

President Ruof thanked all the community members who came out to clean up the concrete ditch last spring. It was a wonderful turnout and got the job done.

President Ruof thanked Joanne Stroud and the Architectural Control Committee (ACC) for all their work, ACC Secretary Stroud and the Committee will be introduced later in the meeting and Secretary Stroud will give the ACC report. Thanks to Secretary Stroud and the committee, the ACC now has a very defensible, clear process and good records. The Committee works very hard to protect all of our property values. ACC Secretary Stroud also served on the Board for 18 years.

President Ruof thanked Jim Russo for his long service to membership as bookkeeper, webmaster and consultant to Board. He has stepped down as bookkeeper and webmaster as we now have a new CPA/bookkeeper and a new website which Director Coulson will talk about.

President Ruof thanked Director Coulson for her financial expertise and dedication. She serves as chair of the Oil and Gas, Water Analysis and Governing Documents Committees. Director Coulson prepares the Newsletters which have been coming on a regular schedule (Winter, Spring, Summer, Fall). She also handles the garage sale and meeting signs. She was previously chair of the Neighborhood Committee that sponsored a lot of great activities.

President Ruof gave a thanks to the members, including Dave Klink and Terry Showalter, who help by mowing the greenbelt paths and rights of ways and picnic area.

Thanks to Mitch Cheek for his contributions to the greenbelt.

Thanks to Linda Gardner for all her support including help taking care of weeds in the greenbelt around the signs.

Thanks to Jerry and Kathy Carson for greeting members and signing everyone in.

Review of the Year: President Ruof reported on events during the year:

Radical Designs in Johnstown was hired to develop a new website. The new website address is: www.northmooracreshoa.org.

The Northmoor Board has a new email address: BOD@northmooracreshoa.org.

The new email address for the Architectural Control Committee is: ACC@northmooracreshoa.org.

The monthly Board meetings are now held at the Berthoud Community Center, Aspen Room, 275 Mountain Avenue, Berthoud, CO.

The current Enforcement Policy was approved May 21, 2016.

The concrete ditch was cleaned out last spring by a great group of homeowners including some Board members and spouses and their children.

A garage sale was held in May.

A new CPA/bookkeeper was hired – he will also do our taxes.

The Governing Documents rewrite process continues. Hindman Sanchez law firm from Denver was hired to assist with our governing document rewrite. The rewrite process has taken a huge amount of time for both the committee and the Board.

There is a new Internet service provider serving Northmoor: NETEO.

Greenbelt: The greenbelt was mowed this year by a commercial mower; it has been getting much harder to find someone to mow for free in exchange for the hay. If anyone knows of someone that does mowing, please let the Board know. The Board is continuing to have trees sprayed for pinebark beetles to protect the trees and prevent the spread of the beetles. Members are asked to keep watch for prairie dog holes since we are a horse subdivision. If anyone sees any prairie dog activity, please report it to the Board.

Reports:

Secretary's report: The minutes of the 2016 Annual meeting held on March 19, 2016 have been posted on the website for about 6 months. Also, a draft of the minutes of that meeting was distributed at the beginning of the meeting. The President asked for any revisions. The minutes were reviewed by the membership. It was moved to accept the minutes, and motion was seconded. The minutes were approved unanimously.

Architectural Control Committee (ACC) Report: President Ruof gave background and explained that the ACC is chaired by Joanne Stroud and operates under the direction of the Board of Directors. The responsibility of the ACC is to follow our Covenants, Policies and Procedures and to ensure that construction or alteration of structures and fences maintain harmony with existing structures and enhances property values. The Board approves the ACC members and the ACC operates under the direction of the Board. In order to maintain ACC accountability, their decisions must be objective, provide consistency,

and be the same for everyone. All structures must be approved. ACC Secretary Joanne Stroud was introduced and gave her report.

Secretary Stroud acknowledged and thanked the members of the ACC including Barbra Ding, Ginny Hersch, Dave Klink, Chuck Krueger, Bonnie Smith, Art Szallar and Norm Thielbert. The ACC processed 16 approvals this last year. Secretary Stroud outlined the procedure for submitting a plan for approval and asked if there were any questions. She invited any interested homeowner to attend an ACC meeting or to serve on the ACC. See annual ACC report for details. ACC@northmooracreshoa.org is the new email address. There was discussion regarding approvals including the need to approve paint colors. Secretary Stroud explained that if you are changing the look of your house, including windows and doors, you need approval. New fencing needs to be approved as well as sheds, chicken coops and other structures. The ACC has 30 days to approve plans and they try their best to work with homeowners to resolve any issues. Homeowners have a year to complete projects so you can submit your plans ahead of time. Plans should be submitted to the ACC at least 5 days before the first Wednesday of the month.

Oil and Gas Summary and Update. Director Ben MacFarlane gave a presentation regarding the status of oil and gas development both in our area and our country. He works in the oil and gas industry as an analyst and is very interested in topic. Both in our area and in entire United States, the industry is on the upswing due to increased production and demand. The biggest operator in our area is Anadarko. There hasn't been lots of activity close to Northmoor yet but Anadarko continues to operate to the south of us in the Denver Julesburg Basin. Production has tripled in the last few years and will continue to do so. Because of efficiency, they are still making money at a reduced price. Anadarko is working on a large operation in our area. We don't know how much Anadarko will produce from our area. Director MacFarlane presented some charts. He discussed a chart showing what is called a production curve. At first, lots of oil is produced but declines sharply over time. Oil and Gas Conservation Commission website shows the area and the current status with laterals extending out from the pumps. Eventually there will be east west laterals under Northmoor. Maybe 15 laterals in a square mile. They have to stay 500 feet away from any permanent structures. Anadarko plans to bring in water and electric. The water line is for fracking water (which will reduce truck traffic) and the electric will power the well. According to Director MacFarlane, there is little to no chance for second bonus. Our 4-year lease provides that they have to pay a second bonus if they haven't started production, but this won't happen. They will produce just enough to hold the lease but don't plan to do major drilling under Northmoor soon. At this time, their plan is to keep working down south. The Wilson Ranch parcels will have to go through a permitting process. We will have a chance to comment. So far, Anadarko seems to be willing to work with us to improve their impact on us. A question was asked regarding how long will they keep making noise? According to Director MacFarlane, it is very hard to say because they promised to be finished a long time ago. The plan is to bring the wells south of us on line by summer and the noise should be diminished then. Another question was asked: Will the oil and gas money ever be distributed to homeowners? Director Coulson answered that our governing documents are being revised to allow for a description of "surplus funds" so that we hopefully would be able to distribute after providing for sufficient reserves/future assessments.

Governing Document Presentation: Director Coulson, the chair of the committee, recognized the committee members. They are: Jerry and Kathy Carson; Kim and Linda Gardner; Kerry McCollum; Joanne Stroud, Robert Sprague and Susy Ruof. Director Coulson explained that the committee has put in a lot of time to make the process work to benefit all owners.

The documents that are being reviewed by the committee/Board and the attorney are Northmoor's Declaration of Covenants, the Articles of Incorporation and the Bylaws. In addition, there are 9 Good Governance Policies that all homeowner's associations are required by Colorado law to have that are being reviewed. In order to be fully updated, we will have Rules and Regulations added.

The Board has hired Hindman Sanchez law firm to do the document review. The Committee and Board filled out a questionnaire to clarify what we wanted in our documents, and to learn what was required/allowed by law. Some of the highpoints are: Need to have a vote of 67% or 80 lots to approve the re-written Declaration. A vote of 90 lots required to approve the Articles. The Bylaws should be approved by a majority of members who attend the meeting – in the future the Board will have the authority to make bylaws changes (except to quorum). When the documents are finished, a draft will be sent to the members. Eventually all members will have the opportunity to read and vote on the documents. Most of the changes in our documents are driven by state law. There will be several Q & A homeowners' meetings in the future to answer any questions.

Financial Report: Director Coulson prepared and gave the report. All members previously received the reports in either email or U.S. mail as well as in their packet provided at the meeting. Variances on the charts were explained – what is negative vs what is positive to Northmoor's cash positions.

Northmoor has hired a new CPA/bookkeeper to help us with our financial tracking. At the 2016 annual meeting, the homeowners decided to ask the new CPA to determine whether or not an audit should be pursued, after he had time to look at the HOA books. Director Coulson reported a note from the CPA (Barry Zaiger) after he had been doing the HOA books for about 8 months: "I don't think an audit is needed for your books. An audit that is not designed to find fraud (which is usually what people are thinking) would not disclose any fraud or irregularities." "To do a regular audit would cost about \$2,500 to \$3,500. A fraud audit would cost a lot more."

The HOA budget process: the budget is presented every year to the homeowners; the homeowner assessments will be taken out of the oil and gas funds until those funds are depleted. She reported that the Board is staying within 10 % of the budget; otherwise, homeowners will be notified.

Director Coulson went through each page of her charts/presentation and explained the budget. Six charts were reviewed:

Chart 1 – Final budget report for fiscal year July 1, 2015 – June 30, 2016 by category including trash. This is a report on the status of last fiscal year's budget.

Chart 2 – Current year budget for fiscal year July 1, 2016 to June 30, 2017 by category including trash. Included actual results through January 31, 2017 and projected results February through June 30, 2017. Except for income taxes, which were unknown at that time and not budgeted for, we underspent the budget.

Chart 3 – Oil & gas funds balance and financial summary for 2015–2016 and 2016– 2017. This year we got our second oil & gas bonus payment, in July 2016. Each year will have paid about \$32,000 in income taxes. At the end of this fiscal year, should have about \$271,000 in bank. Money is invested in CD's.

Chart 4 – Proposed budget for fiscal year 2017 – 2018. The last column shows the cost per lot/member for each line of expense.

Chart 5 – Budget detail beginning July 1, 2017.

Chart 6 – Anticipated annual budget coverage by current oil & gas bonus funds.

We have about 5 more years of assessments covered by the oil and gas bonus. The estimated value to each homeowner of the oil and gas money over 7 years is \$2,648.

There was discussion. It was moved that we approve the budget for 2017 – 2018 Fiscal Year. The motion was seconded and passed unanimously.

Election of Directors: There are 9 members that serve on the Board of Directors for Northmoor Acres and every year one third (3) of the positions become available as the terms end. This year Chuck McCollum, Deb Coulson and Susy Ruof's terms are up for re-election. Deb Coulson and Chuck McCollum are not running again and Roy Rutt resigned. There are 4 open positions. One term is a 1 year term and 3 are 3

year terms. President Ruof has agreed to run again. President Ruof outlined board duties and discussed the commitment. Director Coulson will introduce the candidates and ask for nominations from the floor.

Karen Overlin has agreed to run. She has lived in Northmoor for 3 years in September. She is in the landscape industry.

Bonnie Smith has agreed to run for a Board position. She has lived in Northmoor since 2015. She is an insurance agent and a member of the ACC. She feels that the Board is very important and wants to be involved.

Valerie Tams has agreed to run. She has lived here for 20 years. She was the secretary for the maintenance division for the City of Boulder for a number of years.

Susy Ruof is running for a position again.

Nominations were closed. Moved, seconded and approved to accept the 4 Board members by acclamation – Ruof, Overlin, Smith and Tams. The Board will decide internally which member will take the 1 year term.

Announcements:

Signup Sheets: President Ruof announced that there are signup sheets for the Document Retention Committee, the Property Maintenance Committee, the ACC and Neighborhood Committee. Anyone interested is asked to sign up.

New Website. Director Coulson announced that we have a new and updated website and webmaster. Members are encouraged to visit the new website. There are new tabs and updated information.

Member Information Update: Members are encouraged to update their contact information so that they can receive all communications such as newsletters.

Safety. Members are cautioned to keep their vehicles locked to prevent theft, please notify the Board of any incidents.

Survey and Construction Work on County Road 11 Update: Director Rutt reported on the road progress. A survey has been done along the road and pipes will be laid within the next few months.

Items from Membership:

Carrie McCollum had asked to be on the agenda to give a presentation. She is not here and so no presentation was given.

Director Gardner discussed several items:

There have been questions from homeowners about wanting the Board to change covenants, covenants are not allowed to be changed by just the Board. If you have questions, can email the Board or come to a Board meeting. All Board meetings are open, are now held in Berthoud Community Center on a set schedule - posted on our website.

A lot of people have come out to help with tasks in the greenbelt, very much appreciated, our committees are very important.

Discussed document organization and retention.

Purposes of the HOA, as described in a draft of our new documents, was read: “to maintain Northmoor Acres as a community of the highest quality and value, and to enhance and protect the Property’s value, desirability and attractiveness.”

It was moved, seconded and approved to adjourn the meeting.

Meeting adjourned at 10:52 p.m.

Northmoor Acres Homeowners Association Secretary
Ginny Hersch