



NORTHMOOR ACRES HOMEOWNERS ASSOCIATION

NORTHMOOR ACRES HOMEOWNERS ASSOCIATION Annual Meeting March 10, 2018 Minutes

Call to order and Verification of Quorum: The 45th Annual Meeting of the Northmoor Acres Homeowners Association held at the Johnstown community center was called to order at 9:05 A.M. by Northmoor Acres Homeowners Association president Susy Ruof. There were 54 lots represented in person and proxy. We did not have a quorum which requires 72 lots in person and by proxy. The meeting was adjourned. The meeting was called to order again at 9:15 A.M. At this second meeting, a quorum was 36 lots in person or by proxy and we had 60 so we had 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: Please silence cell phones and take any calls outside the meeting room. Homeowners who are speaking are requested to please use the audience microphone so they can be heard. 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. Discussion and conversation will be limited to 3 minutes per person to allow everyone a chance to speak. If you speak, please state your name and address. A vote on the motion will follow. The membership was reminded that members may express opinions about the Association or Board business but please no personal attacks, profanity or shouting.

Welcome: President Ruof welcomed the membership. President Ruof asked new members to stand up so they could be recognized. New members that were present introduced themselves. The new neighbors were: Mark Hoekstra on Northmoor Drive, Chris and Tamela Baumann/Cash on Saguaro Court, Linda and Jerry Anderson on Northmoor Drive, Gary and Pat Rees on Yucca Court.

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 which 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. Also we attend classes offered by several law firms that we work with. President Ruof introduced the Board members:

Robert Sprague, Vice President. Has lived in Northmoor for 13 years with his wife Jennifer and seven kids. He has worked in commercial construction with the same company for 25 years. He has also served on the Oil and Gas, Water Analysis and Governing Document Committees. He has helped Kim a

lot putting together the concrete ditch cleanups that have happened for the last couple of years, and many other projects in the greenbelt.

Ginny Hersch, Secretary. Has been on the Board for 25 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. She wasn't able to be here today due to a medical emergency in her family. Her term is up this year and she is running again, but she wasn't able to be here. Her proxies have been transferred to President Ruof.

Shawn Rieke, Treasurer. Has been on the Board for 13 years, has lived here for 24 years but has been attending meetings for 26 years. Has served both as Director of Property as well as Treasurer. He works for a weather instrumentation company. He had to go out of town, so he isn't here today.

Ben MacFarlane, Director. Moved to Northmoor 5 years ago with his wife Sina and their 4 children. Has been on the Board for 2 years, served on the Oil and Gas Committee and Water Committee. He has worked in the oil and gas industry for 16 years (5 years in operations in Weld County and 11 years as an analyst). He has been very helpful with our oil and gas issues. He is maintaining our database and puts out the meeting signs. He will be giving us an update on Oil and Gas later in the meeting.

Kim Gardner, Director. He has been on the Board this time for 3 years and was on the Board before in the 1980s for 10 years, he has lived here for 43 years - since 1974. He served on the Oil and Gas Committee, Water Analysis Committee and Governing Documents Committee. He is chairing work on the property/greenbelt, taking care of spraying the trees, watering, fixing the irrigation system in the greenbelt, organizing dead tree cutting and replacement. He also manages our water shares (rental, going to the meetings). His term is over this year and he has agreed to run again for the Board.

Karen Overlin, Director. Has been on the Board for 1 year, has two more years in her term. Wasn't able to be here today. She has lived in Northmoor for 4 years in September, she is in the landscape industry.

Valerie Tams, Director. Has lived here for 21 years, been on the Board for 2 years. She was the secretary for the maintenance division for the City of Boulder for 20 years. Valerie chaired the community picnic last summer, and has hosted a number of committee meetings and parties at her house. She is a great editor.

Bonnie Smith, Director. Had been on the Board for about half a year, but wasn't able to finish out her term. She is an insurance agent, and has been very helpful on the Board with insurance issues, had previously served on the ACC.

Susy Ruof, President. Has been on the Board for 14 years this time and has been President for 7 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, came in 1981, and raised her two children here. She worked as a school psychologist and special education coordinator here in Johnstown for almost 30 years, retired 14 years ago. She is also one of the two Chairs 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.

Current Board members were recognized and thanked.

Past Board members were recognized and thanked.

Mike Martin was recognized and thanked. He was on the Board for 36 years, as President, Vice-President, and a number of other positions, also on the ACC. He has been a very dedicated member of our community. He and Nancy are getting ready to move away to live near their children and grandchildren, they will be greatly missed.

President Ruof thanked all the community members and their children who came out to clean up the concrete ditch for the last two years. There were at least 20 adults and their children, and they brought a lot of equipment also. It has been a wonderful turnout for both years, and got the job done. There will be another day like that planned for May 12 this spring.

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

President Ruof recognized and thanked Deb Coulson. She was on the Board for more than 5 years this time, was Vice President, was previously on the Board also. She has lived here 18 years. Although Deb retired from the Board last year, she has continued to help us with financial issues (taxes, financial reports, budget issues), continued to lead the Governing Documents Committee, and continued to get the Newsletter out quarterly. We asked her to give the financial reports again this time, and she will update us about the Governing Document Committee later. She led the effort to design our new website, and continues to help us keep up with the website/our communication systems. Overall, she is and has been a very dedicated community member and has been a valuable asset to the Association.

President Ruof gave thanks to several members, including Dave Klink and Terry Showalter and Darryl Morison, who help by mowing the greenbelt paths and rights of ways and picnic area. Also to Terry for cooking at the picnic, to Valerie and Paul Tams for heading up the picnic, to Bonnie Smith who also helped with the picnic.

Thanks to Mitch Cheek for his contributions to the greenbelt.

Thanks to Linda Gardner for all her support for Kim, 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, they weren't able to do that this year due to serious illness in their family.

Thanks to Valerie and Paul Tams for signing everyone in this year.

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

New HOA website – www.northmooracreshoa.org

We have a new Board email address – BOD@northmooracreshoa.org

We have a new ACC email address – ACC@northmooracreshoa.org

The garage sale was held this year. President Ruof asked the membership whether they wanted the Board to continue sponsoring a yearly garage sale, the majority of the members requested that the Board continue to sponsor garage sale every year.

A clean-up day was held again this year, it was well attended and there was a lot of work accomplished.

Water shares were rented again last summer.

Greenbelt was mowed by a commercial mower. The prior farmer who had mowed in exchange for the hay wasn't able to do it this year. It has been getting harder to find someone who wanted to mow in exchange for the hay, who would also do it when we needed it done.

Invoice letters were mailed out again, no money was due, just as a notification of what the assessments would have been if the oil and gas money wasn't paying for them.

Community Picnic was held September 23rd. It rained but was a lot of fun anyway.

Trees in the picnic area were trimmed.

We have started receiving royalty checks – that will be discussed more later.

Board meetings are continuing to be held in the Berthoud Community Center the third Thursday of every month at 7:00 pm.

Board is continuing to have the greenbelt trees sprayed for pine bark beetles, also to monitor for prairie dogs – no recent activity that we know about, members were asked to be aware and report any holes since we are a horse subdivision.

Governing Documents rewrite has taken a huge amount of time from the Board this year – that process is continuing.

Reports:

Secretary's report: The draft minutes of the 2017 annual meeting held on March 18, 2017 were emailed out to homeowners this past week to review. Also, a draft of the minutes of that meeting was distributed at the beginning of the meeting. The President asked if there were any revisions, there were none. 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 committee members each year 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 Chairperson Joanne Stroud was introduced and gave her report.

Chairperson Stroud acknowledged and thanked the seven members of the ACC including Barbra Ding, Ginny Hersch, Dave Klink, Chuck Krueger, Bonnie Smith, Art Szallar and Norm Thielbert. The ACC processed 29 approvals this last year; the year before, it was 16, so their workload almost doubled. 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. 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 our oil and gas development. He presented some powerpoint charts, which were emailed out to homeowners after the meeting. Northmoor is currently being paid on two wells south of WCR 42. One well appears average, the other well is producing well above average. Royalty dollars depend on the price of oil and the volume produced times our percentage (18%). We are only receiving 2% on these wells because only 1/9 of production is coming from under Northmoor. Our royalties peaked at \$20,777 in July 2017 and are expected to decline fairly quickly. Per square mile, there are 12 to 15 1-mile laterals going east and 12 to 15 2-mile laterals going west under I 25, all south of Northmoor Acres. There are three pipelines going in west of WCR 11: one 24" natural gas pipeline, a fresh water line, and an oil line. Anadarko has said they anticipate developing the minerals under Northmoor, but their plans are not finalized yet. There was some recent work done on the Whisper Rock pad southwest of Northmoor. Director MacFarlane showed a slide with current drilling permits near Northmoor. We don't know when they may drill under us. There is no surface lease allowed in Northmoor – they will drill under Northmoor from neighboring land, possibly from the west side. They can't drill within 500 feet of structures under current law.

Governing Documents Presentation: Deb Coulson, the chair of the committee, explained that the committee and the Board (about 13 people) have put in a lot of time to make the process work to benefit all owners. The committee members include: Jerry and Kathy Carson, Kim and Linda Gardner, Joanne Stroud, Robert Sprague and Susy Ruof. 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. The objectives of this process are to amend and restate the documents such that they are: in accordance with current Colorado law; internally consistent with each other; clearly stated, objective and reasonable; and tailored to the particular needs of the Northmoor Acres community.

The group spent six months going through all the documents, then sent them to the attorney in December with a lot of questions. Once we receive the documents back from the attorney, then the committee and

Board will go through them again and could have more questions for the attorney. When the documents are finished, a draft will be sent to the membership. Then several Q & A homeowners' meetings will be set up to discuss the documents, and all members will have the opportunity to vote on them. We are discussing with the attorney whether, in the new documents, we can define "surplus funds" in such a way that we hopefully can distribute oil and gas funds to homeowners after providing for sufficient reserves/future assessments.

Property Update: Director Gardner thanked everyone who came to help with the clean-up days and various greenbelt projects. We mow the greenbelt at least once a year, preferably in June; sometimes we have to mow twice in a year. He encouraged homeowners to mow firebreaks around their fences and property. Some trees have died and need to be replaced in the greenbelt; and repairs need to be made to the greenbelt irrigation system. Branches/waste have been hauled to the dump, and some grass needs to be replanted. The concrete pump box south of the dam is broken and should be removed. Homeowners were supportive of improving the greenbelt.

Financial Report: Deb Coulson prepared and gave the report. Members previously received the reports by email as well as in their packet provided at the meeting. Every year we present three sets of information – where we were in the fiscal year that closed last June 30, where we are now in the current fiscal year, and what we propose in the budget for the coming fiscal year. All expenditures are now coming from the oil and gas money, and that will continue until those funds are depleted. The Board is staying within 10% of the budget; otherwise, homeowners will be notified. Variances on the charts were explained – what is negative vs what is positive to Northmoor's cash position.

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

Chart 1 – Final budget report for fiscal year July 1, 2016 – June 30, 2017 by category including trash. This is a report on the status of last fiscal year's budget. We underspent the budget by almost \$15,000; but we don't budget for income taxes.

Chart 2 – Current year budget for fiscal year July 1, 2017 to June 30, 2018 by category including trash. Included actual results through January 31, 2018 and projected results February through June 30, 2018. Except for income taxes, which were unknown at that time and not budgeted for, we should underspend the budget.

Chart 3 – Fiscal Year 2018 Forecast and Fiscal Year 2019 Budget Proposal. This chart includes our current total year actual plus projected expenses by category, next to the proposed budget for next year in those same categories. The last column shows the cost per lot/member for each line of expense.

Chart 4 – Budget Detail beginning July 1, 2018.

Chart 5 - Anticipated Annual Budget Coverage by Current Oil & Gas Funds. The estimated value to each homeowner of the oil and gas money over 8 years is \$2,800.

The oil and gas money is currently in CDs. We are currently assuming an approximately 3% increase in the budget each year going forward. A question was asked about whether we were continuing to try and collect the judgments; we are currently negotiating with the homeowner.

It was moved that we approve the budget for 2018 – 2019 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 the terms that are ending and are up for re-election are: Ginny Hersch, Kim Gardner, and what had been Bonnie Smith's term. Ginny Hersch and Kim Gardner are running for re-election, we have one vacant position. No one else has volunteered to run that we know about. We have 2 people running for three positions. President

Ruof outlined board duties and discussed the commitment. President Ruof asked for nominations from the floor, noting that people can nominate themselves or someone else. Since there were no nominations from the floor, nominations were closed. A question was asked about what the Board would do with only 8 of the 9 positions filled. The Board has the option of selecting another homeowner, perhaps from people who did not attend this meeting. It was moved, seconded and approved to accept the two Board members (Hersch and Gardner) each by acclamation for another 3-year term.

Announcements:

Bridge on WCR 44. The finish date has now been moved back to mid-May.

Grass fire near ditch on southeast end of Northmoor. Fire department had to be called to put it out, they determined it was probably due to hot coals being placed in the ditch. Request to be very careful of fire, particularly on our very windy days.

Report of chickens killed in southeast corner of Northmoor. One homeowner said he had seen a mink, there have also been foxes seen.

Member information update: Members are encouraged to update their contact information (phone numbers and email addresses) so that they can receive all communications such as newsletters and safety advisories.

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

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

Stoplight at intersection of Road 13 and Colorado 60. One homeowner asked about whether that stop light could be adjusted to make it faster to get through that intersection while the bridge on WCR continues to be closed.

Items from Membership:

Norm Thielbert – wanted to bring up for discussion bringing in fiber optic cable to Northmoor. He works for a company that does that kind of work. He himself is not able to get either Neteo or Skybeam. Another homeowner was concerned about property values if Northmoor doesn't have adequate broadband access. They wanted to put a committee together to explore options and bring some ideas back to the homeowners.

A question was asked about what the criteria was for plowing the streets in a snow storm. We do have a snow policy, which is posted on our website. President Ruof mentioned that we were higher on the list to be plowed because the school bus now comes through the subdivision; we are also higher on the list because of the dairy to our east. The county now has smaller trucks with plows that seem to be helpful.

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

Meeting adjourned at 10:58 p.m.

Northmoor Acres Homeowners Association

By Susy Ruof, President, for Ginny Hersch, Secretary