

# King Ranch Homeowners Association General Meeting

Frenchtown Fire Hall

September 12, 2022

## Attending:

Josh Hinrichs, Craig Milam and Michelle Milam, Buz Blass, Marvin Stern and Sherry Stern, Brian Corson-Marquess, Ardina Stobie, Arlan Williams, Rose Sorenson, Tyerell DeAguiar and family, and Jeff Wilcox. Ten (10) of 36 homeowners were represented at this meeting.

## Call to Order:

KRHA President, Josh Hinrichs welcomed the homeowners to the meeting at 6:00 PM and then called the 2022 King Ranch General Home Owners Meeting to order. Josh's first comment was, "Considering that the HOA had not had a meeting since October 21, 2019 due to COVID concerns; the HOA was very under represented by the number of homeowners in attendance". Each HOA board member and King Ranch Homeowner in attendance introduced themselves and where they lived within our three communities.

## Approval of Minutes from October 21, 2019 General Meeting:

Minutes were read and approved as written. Homeowners who wish to read the minutes can find them on our website - [www.kingranchhoa.org](http://www.kingranchhoa.org). Section 3.

## Election of Board Members:

It was brought before the HOA members in attendance that the one (1) year and three (3) year term for board members was not working and the rational why it did not work. All existing board members agreed to continue to serve at their present capacities on the board. As a board we asked attending members if anyone would like to become a sitting board member or to be on the board in an advisory role. No HOA member in attendance wished to be on the board. *It was proposed by Craig Milam to reinstate all members on the board for a three (3) year term. With a show of hands everyone agreed to change the term for a board member to a three (3) year term from this meeting into the future. By a show of hands all existing board members were voted to serve a three (3) year term from September 12, 2022 to September 13, 2025.*

## Old Business:

### **Snow Removal:**

Once again Josh Hinrichs asks all homeowners to place snow markers on private roadway borders to help whomever is involved with snow removal efforts for the 2022-2023 snow season, especially on Wild Goose Lane and on St. Andrews Place. **Our snow removal fund at this point for Phases II and III has only \$200.00 left for snow removal.**

### **Clark Fork River Easement:**

The easement agreement made with the King Ranch Golf Course and its previous owners, the Ocklers, was never changed to reflect the changes made to the golf course in order for homeowners to access the Clark fork River for recreational purposes. At some point in the future this topic will be brought up to the new owners of the King Ranch Golf Course *if there is enough interest shown by our thirty six (36) homeowners.*

### **Booster Pumps and Back Flow Preventers:**

Josh echoed once again the same statement about our water system which has been stated repeatedly over the past 20 years. **Both the lack of a back flow preventers and the use of irrigation booster pumps do and will continue to CONTAMINATE OUR DRINKING WATER WITH SEPTIC WASTES, SEPTIC CHEMICALS, AND SEPTIC FECAL MATTER... we have proven that fact in November and December of 2018 and then again in February 2022. The HOA does not wish to repeat these serious health issues ever again. Yet there are homeowners who completely ignore this health risk and the risk to our pipes in our water distribution system by not correcting these water violations. The question is why? As Josh stated "individual homeowners" must make the proper steps to correct these critical water issues otherwise we could lose our water systems to private or property managers not associated with the King Ranch HOA.**

**Homeowners PLEASE-PLEASE remove all booster pumps which add pressure to the home irrigation system and cause low pressure to our community water system. Install a back flow preventer ASAP-AS SOON AS POSSIBLE... NOW! NOT WHEN THE HOMEOWNER FEELS LIKE IT OR IT IS CONVENIENT. Every time we have a water test which comes back with a coliform or an E-coli hit, there is a homeowner that calls claiming they are going to sue the association or members of the board. Until each home is outfitted with a back flow preventer, until every booster pump is eliminated from the water system... the reality of life is those homes and homeowners who do not comply**

*with these simple safety steps are the root cause of our water being unhealthy to drink and the cause for our water pipe system's eventual collapse... not the members of the board.*

The consequences of not being 100% compliant with these water safety measures by every homeowner means big changes could occur. Not any of the outcomes will be liked by any homeowner. The control of our water system can and probably will be taken away from our HOA and as homeowners we are in jeopardy of being metered and charged by the gallon for our water usage, our water system being permanently put on a costly water chlorination system and no doubt in anyone's mind that water bills from outside management groups could be excess of \$100.00 per month which is comparable to other subdivisions who have lost their private water systems in Missoula County.

Sheri Stern asked the board how many homeowners are not compliant with not having back flow preventers installed and are still using booster pumps. Brian Corson-Marquess answered by stating it is not the place for a board member to go onto private property and inspect each house. That would be like a board member going over to a neighbor and borrowing his lawn mower off of private property. Craig Milam stated "EVERY" new subdivision, which uses its own pump system for irrigation, being built in the city of Missoula is now required to have each home built outfitted with an irrigation back flow preventer. The city of Missoula requires each homeowner to have their back flow preventer inspected yearly at a cost of \$50.00 to each homeowner. Brian Corson-Marquess further stated that he hoped that each neighbor, each homeowner could take ownership in our community and point out to their neighbor when they are not in compliance with the back flow preventer or any other covenant violation. As Brian stated we are all in this community together trying to make our communities the best they can possibly be.

Josh Hinrichs added to the conversation by saying how lucky we are to be in the position we are in: thanks to all the free work and time the past and present boards have committed to our water system. That commitment has insured 1) SAFE DRINKING WATER 2) FULL USE OF THE WATER WITHOUT BEING METERED AND CHARGED FOR THE WATER USAGE 3) A PRIVATE WATER SYSTEM ENTIRELY UNDER OUR CONTROL 4) INCREDIBLY LOW WATER DUES COMPARED TO "ANY" OTHER WATER SYSTEM IN OUR VALLEY. **Removing all booster pumps and installing back flow preventers on all 36 home in our three communities is a very small price to pay to keep our water system ours.** Josh further stated, "Please if you see a violation talk to your neighbor and see if the problem can be resolved."

## Proposal for Special Assessments for a Water and a Road Capital Improvement Fund:

Josh Hinrichs reopened the issue of creating two capital improvement funds for our roads and water systems. These two encumbered accounts will include two separate assessments. One “Fund for Private Road Improvement for the 28 homeowners of Wild Goose Lane and St. Andrews Place”. A second capital improvement fund for our water systems on Mullan and on Wild Goose Lane - St. Andrews Place. Since they are encumbered accounts they can only be spent on the item they have been approved for. Either road repair or major water concerns.

**Private Roads on Phases II/III:** OUR TWO private roads are aging with no current means (money) to address either routine maintenance or major issues such as replacement after a water repair. Yes some of our water lines are under our private roads. For the short term, a spray asphalt seal could be put on the roads but this approach will only address road degradation concerns for maybe a 2 to 5 year period. Long-term, a hot seal asphalt and chip seal is needed and required. Currently there is no estimate of cost for this but the new owners of the golf course are chip sealing their new asphalt at the club house next year. Josh stated he would like to coordinate our road repair with the golf course’s so our private roads can be done at the same time. A chip and seal with hot asphalt could extend our roads lifespan out without any major repairs for the next ten (10) to maybe fifteen (15) years. But we have no money set aside to do this work.

Josh Hinrichs proposed how we are to fund our “ROAD CAPITAL IMPROVEMENT FUND” for our road systems in Phases II and III or St. Andrews and Wild Goose Lane by doing a separate assessment from our present water dues in the amount of \$50.00 per month (\$600.00 annually until each household reaches a \$3,600.00 fund balance or a \$100,800.00 Capital Improvement Fund for our private roads), which represents a 6-year assessment period on the 28 homes in Phase II and III. This road fund would be used solely for private road maintenance in Phases II/III and would be a transferrable asset if the property is sold.

$(\$50.00 \text{ per month} \times 12 \text{ months} \times 28 \text{ homeowners} \times 6 \text{ years} = \$100,800.00)$

A second capital improvement fund for our Two Water Distribution Systems located on Mullan Road (Phase I) and for St. Andrews Place and Wild Goose Lane (Phase II and Phase III).

Our two aging KRHA water distribution systems (each 20 plus years old) in Phase I and Phases II/III will eventually need extensive maintenance, a major repair or replacement. To that end, the Association must begin planning to address these aging water system concerns. The Water Special Assessment for a Water System Capital Improvement Fund would be created by levying an assessment of \$50.00/month (\$600.00 annually) on each household in Phase I, Phase II, and Phase III (36 homes) until each household's water fund reached a \$3600.00 fund balance, which represents a 6-year assessment period. A \$129,600.00 Capital Improvement Fund for our two private water system. These funds would only be used for major water system maintenance or system replacement. This "Individual Home" Capital Asset would be a transferrable asset if the property is sold to the new owners.

(\$50 per month x 12 months x 36 homeowners x 6 years = \$129,600.00)

These two Capital Improvement Funds for our water systems and our roads are absolutely mandatory if we wish to keep our roads and water systems private. Josh used this as an example: WHAT IF? On either water system we had a major break in our water lines and the lines because of low pressure filled with dirt and rock making the lines useless. In the case of Phases II/III not only would we have to replace the water line, but the road system would also have to be replaced. This scenario could happen and put our association into a position where we would have to borrow a substantial amount of money for repairs or replacement from a public, state or federal agency. If we lose private control of our water systems it would mean each house would be metered for water usage. Each home in our HOA would then pay a monthly water usage fee along with charges for gallons used. In some cases there could be an additional monthly fee for meters being installed in the home. Once we lose private control of our water systems we will never get that ownership back. Josh concluded by stating, "Doesn't it make more sense to be proactive and have back up funds which we can use to obtain a loan from a local bank." If we had 10% of the major cost for repairs in an account a bank would be more willing to loan the association say \$200,000.00. In addition with the Capital Improvement Funds in place the bank would probably be more willing to give us a larger loan at a lower interest rate. Without the Capital Funds anyone who has dealt with a bank knows the interest rate would be much higher and the loan amount to cover the repair costs might fall short of what is needed. The banks reasoning, simply put, would be that our ***HOA did not display any foresight in handling future events related to our private water systems and private roads.***

Josh concluded that he and the rest of the board fully understand that an extra \$50.00 in Phase I or \$100.00 per month is a lot to ask of homeowners in Phases

II and III. But as 36 homeowners we have to look to the future and be proactive, realistic, and pragmatic about what we own and perhaps are taking for granted. Ask yourself how quickly our HOA could spend a \$100,000.00 or \$300,000.00 if a major repair occurred with either our water or our roads or both? Josh asked our Treasurer how much money we have currently in our savings and for operation costs. \$32,000.00 would just repair the pumps and pipes of our pump houses if we had a major failure of our pump water systems. Nothing would be available for the pipes of our water distribution system. The question came up, would homeowners still have to pay their yearly water dues at \$360.00. Josh stated YES... our water dues only cover electricity, testing, minor maintenance, association fees, board insurance, liability insurance required for the Clark Fork River access, insurance for pump houses, and insurance for our three cluster mail boxes.

Finally Josh stated that the board does not want to contact our HOA attorney unless the board knows for sure there would be minimum of 2/3's of 28 or 36 homeowners that would vote YES for these Capital Improvement Funds pertaining to our road or water water systems.

Josh's final statement was the following: "Is it smarter for us to be proactive and address our aging water and road systems by funding for the future through Capital Improvement Funds... or Does the homeowner really understand that someday when a major repair will happen to our water or road system... When the dust has cleared and the repair has been made... The board will assess each homeowner for what they owe for the repair through an assessment with no Capital Improvement Fund present to offset repair costs. No homeowner wants an assessment bill from the HOA for an additional \$1,000.00 to \$8,000.00 to pay for a major water or road repair. The HOA can not and will not do any road repairs with zero (0) dollars in the bank. With only \$32,000.00 in the bank allocated for water and HOA maintenance a major water repair could also result in a major assessment in the thousands of dollars.

### **New Business:**

Josh Hinrichs asked those present at the meeting if there was any new business or new topics which the association should address. No new business was brought up.

### **Adjournment:**

Josh made a motion to adjourn the meeting. Motion carried by a show of hands. Meeting adjourned at 6:40 p.m.

## **The current Board members and their assigned terms:**

Josh Hinrichs, Director of Phases I, II and III, President, 370-9343 (3 year Term to 2025)

Buz Blass, Director of Phases III, Vice-President, 240-1145 (3 year Term to 2025)

Brian Corson-Marquess, Director of Phase II, 544-7315 (3 year Term to 2025)

Marvin Stern, Director of Phase I, 626-1505 (3 year Term to 2025)

Craig Milam, Water Manager, Secretary and Web Site, 240-9345 (3 yr term 2025)

Michelle Milam, Treasurer, 240-9345 (3 yr term 2025)

**\*\*\*Meeting Minutes Prepared by Craig Milam, Secretary, for KRHA and reviewed by all current members of the board.**