

# **IMPORTANT NEWS AND NOTICES FOR** **ALL 9 MILE RANCH LAND OWNERS**

## **PLEASE READ**

This is a newsletter from the board of the 9 Mile Ranch HOA, created to inform you of important notices and issues, and we ask that you take the time to read it thoroughly.

**Nine Mile Ranch Homeowners Association / P.O. Box 332 / Oroville, WA 98844**

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### **UPCOMING ELECTION: DIRECTOR CANDIDATES NEEDED! SEE ENCLOSED SOLICITATION**

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#### **GOOD PROGRESS WITH GRAVEL PLACEMENTS**

You may recall that last fall our HOA membership approved a Special Assessment to purchase \$54,000 worth of road gravel and for \$19,000 dedicated to purchasing a gravel rake. The amount of gravel was specifically calculated to replenish gravel wear that has happened in the past but had not yet been fully replenished due to lack of funding. Last fall before winter set in we installed (28) loads of quality topcoat gravel at spots throughout the Ranch, and as soon as spring conditions allow we will continue placing more gravel. The total remaining Special Assessment amount for gravel, if fully collected, would allow for approximately (130) more loads to be placed over the next year or so... weather, supply availability and hauler availability will also affect the schedule.

As an interesting perspective... (158) big truck loads of gravel might seem like a great amount but if that amount were spread evenly over all Ranch roads it would be a layer only as thick as 3 pennies stacked on top of each other!

Given 2016 auto traffic rates on the Ranch we need to be installing approximately \$9600 worth of gravel *each year* to replenish worn away gravel alone; this doesn't include gravel layer *improvement* but just *maintenance*. The recent years' annual dues increases (\$33.60 per Lot total over the last two years) have helped bring income closer to being able to pay for this maintenance, but more will still be needed.

We are thankful for the benefit the Special Assessment gravel has and will bring:

- helping to better cover up many road sections that have large boulderheads sticking up.
- giving us a better road surface to grade/rake.
- working toward having roads that are smooth enough to allow winter plowing closer to the road surface, whereby reducing ice and snow buildup.

#### **IMPORTANT FACTS TO REMEMBER ABOUT OUR HOA**

- All directing and administration is conducted by volunteers, including managing road maintenance and contractors throughout the year, performing all treasurer duties and collections, enforcement activities, fulfilling state law requirements and all business management, and responding to all member inquiries and needs. It is important that we have qualified volunteers continue to step forward, otherwise our annual assessment rates will more than double in order to hire out for many of these services.
- Great care is applied in calculating annual assessment rates to include only the services required under the CCRs. There may come a day when the *membership* chooses to collect more income and spend it on allowed improvements, but the members of this board are focused only on requirements and spending funds on road maintenance measures that improve the value of dollars spent.
- We understand the following statements to be true: 1) the vast majority of people who purchased property at 9MR reviewed the CCRs before their purchase and deliberately chose to purchase here because they wanted what the CCRs provide, 2) because the CCRs "run with the land", every Lot Owner is required to follow the CCRs and is also entitled to expect the CCRs to be upheld, and 3) the Board of Directors and the ACC are required to uphold the CCRs. Given these realities it is simple for our Board to move forward following the CCRs, using sound and reasonable judgments and actions supported by applicable laws and contracts.
- Per the specific language in the Special Assessment vote last fall for replenishment gravel and the rake, funds from the Assessment are spent **only** on these things.

**OWNERS PLEASE COME TO THE NEXT BOARD MEETING, MARCH 14, 2020**

## **A Look At Our Annual Assessment Rate**

For many 9MR Lot Owners who have had years of familiarity with our HOA finances, we have long seen that the annual assessment rate has not been raised enough to meet the HOA's actual obligations.

*"The annual assessments shall be sufficient to meet the obligations imposed by the Declaration and any amendments to the Declaration, and shall be sufficient to establish an adequate reserve fund for the maintenance, repair, and improvement of the roads and any other Common Areas, plus any other costs or fees incurred by the Association."*

- CCRs (Declaration), Article IV, Section 4

While the HOA has not gone into fiscal 'debt' because of its income shortfall it has suffered large debt-like burdens or consequences in the following ways:

- Approximately \$40,000 of savings was spent down between 2008 and 2017 to pay for regular annual road maintenance/improvements, and
- The gravel on our roads was allowed to wear away without adequate replenishment.

The awareness of the above two facts caused Boards in the last two years to start raising the assessment rates and to also conduct a proper study to determine what rate is sufficient to meet with the obligations of the CCRs. The study will get adjusted later this year as we create final state-required determinations about Reserve Funding – so the projected assessment rate will likely be adjusted higher – but the study preliminarily indicates right now that **we need to have a minimum assessment rate of at least \$235.56 per Lot** at today's costs and road traffic levels. You can contact the Board to receive the detailed study documentation, otherwise here is a summary and breakdown, all based on cost factors taken directly from our historical accounting records and actual traffic rates (per year averages shown below):

• CCRs annual reserve fund deposit .....	\$3357.00
• Average attorneys fees and legal costs .....	\$1810.03
• Liability insurance .....	\$1621.58
• Snow plowing .....	\$13,447.93
• Weed/road growth spray .....	\$10,373.75
• Road Repair & Maintenance .....	\$23,292.79
• Yearly gravel replenishment needed .....	\$9677.04
• All other annual Association expenses not in above categories .....	\$2202.69
• Yearly lawfully-required accounting audit .....	<u>\$3000.00</u>
TOTAL YEARLY EXPENDITURES:	\$68,782.81
divided by avg. # of lots collected:	(292)
<b>COST PER LOT:</b>	<b>\$235.56</b>

Again, there are many details and footnotes in the full study that explain aspects about the information above. So where do we go from here? At the January 18, 2020 Board meeting the Board decided *not* to raise the assessment rate for the coming fiscal year, due to consideration that the recent years' raises and the recent Special Assessment are enough 'rate increase fatigue' on the membership for now. However, it will take two more years of '10% increase per year' to reach the minimum goal rate above, and the Board intends to follow through with those raises at a minimum.

### **Forest Health, Fire Control and Your Neighborhood**

There are areas of 9MR land – particularly in Divisions 6, 7, and 8 – that are forested, and this means concerns for forest health and fire control for those neighborhoods. There are prominent cyclical pest infiltrations that kill trees, and unmanaged undergrowth or other forest management problems, that can lead to heightened fire danger for everyone. As a public service the Washington State Department of Natural Resources (DNR) offers significant information assistance and grants, including site visits, to help land owners better manage their forests and reduce fire danger; there are many 9MR owners who are currently benefiting from these services. For more information you can call the local DNR office at (509) 685-6900. You can also contact the Board at the HOA website or mailing address to get contact information for neighbors who can talk with you about their experiences.

### **NOTICE – ENCROACHING EASEMENTS**

Per many clauses in our CCRs, all roadside easements and roadways are for the collective use of all property owners, including for recreational purposes like horseriding and snowmobiling. Roadside easements are also areas for maintaining roads, like drainage areas and space for snow placement. They must not be blocked or have installations placed in them (fencing, fill dirt, etc) without the permission of the ACC or Board. Owners who block or unduly occupy any 60-wide easements are violating the rights of the HOA and all Owners; please contact the ACC if you have questions or requests.

### **A Case For Our HOA**

In December 2019 our HOA was sued in small claims court by an owner who, of his own accord, purchased and placed \$1000 worth of gravel on an HOA road where he specifically wanted it, and then sought to force the HOA to pay for it. He did this after he was advised by the Board long prior to his action not to do it. Our CCRs and state laws disallow owners from taking actions like this, and indeed the small claims court judge upheld this reality. The case cost the HOA approximately \$100 in expenses to defend, and no attorneys were involved.