



## HEBGEN LAKE ESTATES

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### HLE Owners Association Annual Report & Income Statement

#### Current Board of Directors:

Vonda Laird, President  
Cindy Freedman Vice President  
Ron Mahtesian, Treasurer

#### Other Staff:

Debbie Griffin, Property Manager

### 2020 Report of Board Actions & Completed Projects

#### 1. Annual Meeting of the Homeowners Association

Because of the Coronavirus Pandemic, organizations throughout the country have been closing community meeting areas and similar gathering places to avoid crowded places that could contribute to the contagion's spread from person to persons. Our HLE/HOA is no different, and we are also following these precautionary guidelines especially for our annual meeting usually held indoors at the Povah Center in West Yellowstone, MT. Therefore, our annual meeting will be postponed to a future date. This meeting will be either at a physical location or held using virtual electronic methods. This Report of Board Actions and Completed Projects, and Annual Income Statement will serve as the agenda which would have been presented at the annual meeting.

#### 2. Annual Income Statement as of September 30, 2020

The Treasurer reported the financial status of the HLE/HOA as of September 30, 2020 to consist of a beginning balance of \$30,371.33, plus total revenues of \$8,775 minus total expenses of \$7,604.43 leaving an ending bank balance of \$31,541.90. **See the enclosed Annual Income Statement for details of revenues and expenses.**

The Treasurer in consultation with the Property Manager have determined the status of HOA dues. Some homeowners have not paid dues for the current year, and some homeowners are more than one-year delinquent with dues. Our HLE Covenants state that dues assessments become due thirty (30) days after the date of mailing. Furthermore, HLE By-Laws state that the HOA has the authority to impose reasonable charges for interest and penalties for overdue payments.

At our last Board meeting, the Board implemented policies to strengthen and clarify overdue dues assessments:

- Those homeowners with delinquent dues in the current year will receive a second dues notice. If dues remain unpaid after an additional 30 days, demand letters will be sent out notifying

homeowners that interest of one- and one-half percent (1 ½ %) will be further assessed monthly on outstanding dues balances.

- Those homeowners with unpaid dues in prior years are deemed already delinquent. A demand letter will serve as notice stating that interest of 1 ½ % will accrue on the unpaid balance of dues beginning 30 days from the date demand letters are mailed. Homeowners' failure to pay their dues could further result in a lien being filed against their property. Homeowners having a lien on their lots are not considered to be "in good standing" and do not longer have association voting rights in accordance with our By-Laws.
- Per our Covenants, such liens may be foreclosed upon in like manner as a mortgage on real property with a right of redemption. If the HOA obtains a successful judgment, these foreclosure proceedings would include the addition of court costs and attorney fees to borne by the homeowner.
- Homeowners' having financial difficulties may request from the Board a mutually approved repayment plan to pay their dues.

### **3. Hebgen Lake Estates County Water & Sewer District (WSD)**

Last Fall, Hebgen Lake Estates County Water & Sewer District (HLE/WSD) started the process of developing a new water supply well to replace its current backup well due to arsenic concentrations above the EPA drinking water standard. HLE/WSD decided that the preferred site for the new well is the open space located behind Block 1, Lot 17, off Grizzly Bear Loop. The HLE Board is currently in negotiations with the WSD over the granting of four permanent easements for a water supply well, water line and control infrastructure, maintenance, and well control zone, and a temporary construction easement for the new back up well consisting of approximately ½ an acre or 21,685 square feet of HOA open space. In consultation with the HOA attorney, a 51% majority of homeowners must vote to approve the open space easements

Eventually, the new water supply well will be connected to the existing water main located under Grizzly Bear Loop. WSD will assess homeowners an extra monthly charge estimated at \$21 over and above their regular monthly service charge. WSD further estimates that the assessment will continue for 20 years throughout the repayment term of the loan.

The new water supply well will benefit property owners by making improvements to the drinking water system that are needed to protect public health in our community. Additionally, the new well project will provide increased water supply rates that may be needed in the case of a fire. Moreover, all wells will continue to produce water during a power outage with the aid of an installed backup power generator. Also, the WSD intends to offer to transfer the current backup well (high arsenic levels) to the Hebgen Basin Fire District.

At our last Board meeting, the Board established procedures to enable voting by homeowners for the WSD requested open space easements by:

- Mailing out a ballot asking homeowners to vote their approval/disapproval of a request by the Hebgen Water & Sewer District (WSD) for easements located within HOA open space to complete a new water back up supply well.
- Providing homeowners with self-addressed envelopes to mail back their completed ballots. **Homeowners who return their ballots will have their names entered into a random drawing for three prizes of \$75 each to offset their next annual dues payment.**
- Tallying the ballot responses and communicate the voting results to homeowners and the WSD.
- Requiring the mailing back of homeowners completed WSD easement ballot(s) in the self-addressed stamped envelope addressed to HLE/HOA, PO Box 638, West Yellowstone, MT 59758 by **no later than November 16, 2020**. Along with casting your vote, please also include the name of the lot owner, your signature, up-to-date mailing address, telephone number, email address, lot number(s), and property address for the voting to meet HLE covenant requirements. **Please note our covenants allow homeowners one vote per lot. If there is more than one owner per lot, the owners must decide who shall cast the vote for that lot. If the owner owns more than one lot, the owner shall have as many votes as the owner has lots.**

#### 4. RID Tax Assessment

At the 2019 Annual Meeting, the Board of Directors and attendees held discussions about annual tax assessment increases specifically for the maintenance of our community roads and for snowplowing. These services are contracted out by Gallatin County to Morrison-Maierle and administered as a Rural Improvement District (RID). HLE RID tax assessments are one of the many taxes included in homeowners' annual county property taxes. At that time, the Morrison-Maierle representative had indicated that the HLE RID 2020 assessment was increased by 15% or \$44.63. Discussions continued this year, and the Board President was able to negotiate an agreement with the RID representative to have a 0.7% tax assessment increase for our homeowners for 2021. Therefore, the HLE tax assessment for 2021 will be at an average cost per lot of \$294.59 compared to 2020 when it was \$292.61 – an increase of \$1.98 or 0.7%.

#### 5. Weed Management

Gallatin County Zoning Laws prescribe communities to manage and control noxious weeds. Accordingly, HLE Owners Association is responsible for this endeavor and noxious weed spraying is by far the biggest expenditure of association operating expenses. As in previous years, the weed spraying map can be found on our Hebgen Lake Estates website under the information menu tab. Areas in green are currently being sprayed for noxious weeds each summer. Thus, homeowners can have their lot added or removed from the weed spraying list by emailing the Board at [hleboard@hebgenlakeestates.org](mailto:hleboard@hebgenlakeestates.org). In 2020, the weed spraying contractor sprayed in July and August. His bills for \$1,308 and \$2,981.05 were received and approved by the Board for payments. Additionally, the contractor was provided with the current weed spraying list of lots and he agreed to post a sign at our community's entrance on the days when weed spraying occurs. Homeowners are encouraged to submit their comments about weed spraying to the Board either in writing to PO Box 638, West Yellowstone, MT 59758 or to HLE website via the above email address.

## **6. Sink Hole**

During the Spring, a sink hole emerged on Moose Drive. The Board of Directors discussed the road condition with HLE/RID representative. As a result, the HLE/RID representative consulted with a contractor mutually agreeing to the repair cost and the recommended solution to use pit run to fix the roadway. The contractor completed the road work in August.

## **7. Turn Lane (Hwy 191 onto Rainbow Point Road)**

The Montana Department of Transportation project was completed this summer. Now motorists can negotiate a 90 degree turn lane onto the north-bound side of Hwy 191 into Rainbow Point Road. Also, the work to move the parking lot from the south side of Rainbow Point Road to the north side of Rainbow Point road was completed.

## **8. Tennis Court Seeding**

At the 2019 Homeowners' Annual Meeting, discussions ensued over how and when to seed the former tennis court. The lot is approximately 2/3 of an acre and is part of our community common space. Grass seed was bought, and preparatory work, raking and seeding was completed in June by volunteer homeowners' Jim Laird, John Dodd, and Charles Fleming. A special shout-out is well deserved for these residents.

## **Actions & Projects Pending**

### **9. Pool Property**

At the 2019 Homeowners' Annual Meeting, discussions were held about the pool property and Louis Robinson the current owner of the lot. This problem has remained for years without resolution. At several previous Board Meetings this year, discussions continued. Taxes owed by the owner of record now amount to approximately \$130,000. Previously the Board's President filed a complaint with the County Compliance Office regarding the continuing degrading, safety, and health conditions of the pool. This was found to be an invalid complaint and no action was taken. However, the County Commissioner is looking into foreclosing on the property and putting it up for an auction sale. The Board's President will follow-up on any actions taken by the County.

### **10. Sasser Property**

Past events have resulted in the former residents currently serving jail sentences and or no longer living in the house. Ownership and maintenance of the property is in question. The Board of Directors will follow up with the County Attorney and Mortgage Company over the status of their property, taxes due, and ownership. Further discussions to resolve these issues are slated for upcoming Board meetings.

## **11. Covenant Changes**

At a previous Board Meeting, the Board members agreed to review the covenants and select ones that may have support from our membership to change. Once these covenants are identified, the Board will hold further discussions and decide whether to proceed with pursuing any changes. However, the Board emphasized that it currently takes 75% of the homeowners to approve covenant changes. Proper notice, discussions, and voting by homeowners of any proposed changes will be in accordance 13. A (1) of HLE covenants. Once covenant changes are developed, they will be communicated to homeowners for voting. The Board has decided to postpone any proposed covenant changes to next year.

## **12. HLE Board Request for Homeowners Information**

At our last meeting, the Board approved strengthening procedures to maintain up-to-date homeowners' information. This will mainly entail requesting current homeowner information on their return ballots when voting on measures and on dues invoices when paying annual dues. This contact information will give the Board the ability to notify homeowners about important community issues such as health, safety, COVID-19, flooding, and fire concerns, and about important decisions made at meetings by the Board. In the future, homeowners could be notified by email of upcoming HLE Board elections, potential Covenant and By-Law changes, and then opt to vote by emailing the Board at [hleboard@hebgenlakeestates.org](mailto:hleboard@hebgenlakeestates.org).

## **13. HLE Board of Directors Vacancies**

Several Board positions are vacant or soon to become vacant. Any homeowner interested in serving on the Board can contact Vonda by sending name(s) of candidates for consideration via email to the Board at [hleboard@hebgenlakeestates.org](mailto:hleboard@hebgenlakeestates.org) or call (406) 579-1032.

## **14. Sub - Division Improvements**

This year the Board suggested projects involving improvements to our community. They include projects such as a kid's playground and a memorial tribute (stone or plaque in a tree setting) to the late James Alex Hurley relative of the Sasser family. Further discussions will occur in future Board meetings. HOA funds within the limits that can be approved by the Board, or higher limits requiring homeowners voting, could be used for these community improvements on land owned by HOA. Homeowners are encouraged to submit their suggestions for community improvement projects to the Board either in writing to PO Box 638, West Yellowstone, MT 59758 or to HLE website via the above referenced email address.

## **15. Tree Cutting/Trimming Project by Forest Service**

North Hebgen Multiple Resource Project (tree trimming along Rainbow Point Road) has been approved. The project plan calls for a swath of tree trimming to extend 400 feet on either side of the road. The main purpose of the project is to moderate fire damage and provide a safer evacuation route for our community. It may be several years before this project is completed. The Board will continue to make inquiries with the County about the timeframe for the pavement of Rainbow Point Road. Presumably, it will be after the tree trimming project is completed.

## **16. Community Homeowners Regulation Issues**

Several issues concerning covenant and zoning violations occurred this year. The Board would like to remind homeowners of the following:

- Per HLE/Covenants 3 C. (1), all property changes such as fences, storage sheds, exterior house color changes, etc. need to be approved by the HLE/Board.
- Per HLE/Zoning Regulations 16.1 and Attachment A, property owners are not allowed to park vehicles on the main roads, especially in the winter months when there is active snow plowing. Per HLE/Covenants 11A. (2), notice will be given before action is taken to remove any permanent obstructions.
- Per HLE/Covenants 1 A. (3), no businesses may be conducted on a residential lot. Should the property owner be in the construction business, construction equipment may not be parked on that owner's property.
- Per HLE/Zoning Regulations 16.1, short-term rentals are only permitted in commercial districts and are only authorized with a current conditional use permit granted by the County Planning & Zoning Commission.