**Elk Run 3 & 5 HOA Bi-Annual Newsletter**

**10/25/2018**

This is the newsletter which we will be publishing each half year.  The full version is also available on our website (https://www.elkrunhoa3and5.com/). The first section outlines the mission statement and areas of focus of the HOA to date. In the next section, details of the disposition of the vacant drainage lots on 279th street are covered. That section is titled “Natural Growth Protection Easement / Wetland Parcels” (page 4). Please see this section for details on potential liability and maintenance concerns. Finally, full payment, dues, financial details, and projected budgets are included in the section on page 5 entitled “A note from the Treasurer”.

**Announcing the HOA Annual Meeting:**

When: Tuesday October 30th at 7:00 PM

Where: Maple Valley Public Library

Please attend if you can!

**Mission Statement:**

The vision for Elk Run HOA (we refer to it as HOA light)  is to preform four main functions;

* Land-scaping of shared areas
* Maintaining common fence on 228th
* Protect home owners against liability
* Communicate shared interests to city and others

 We have made the following progress in these areas:

**Land-scaping of shared areas:**

* HOA got bids from 4 separate landscaping companies
* Initial clean up was completed
* We have bids for on-going maintenance (see projected expenditures in the dues and accounting section below)

**Maintaining common fence on 228th:**

* The HOA is currently finalizing a plan on how fence maintenance could be approached.  This plan is dependent on several factors, the biggest one being budget and the collection of dues (we need to make sure we can afford it).  The below is a draft plan we would like to implement if we are able to sustainably do so within our budget:
  + the fence will be repaired over time as HOA funds allow
  + we are considering implementing the following system for home owners with maintained fence along 228th St.
    - HOA will purchase the materials for fixing the existing fence
    - Total cost to the home owner will be ½ the cost of the materials
    - Members of HOA will volunteer labor to fix the fence
* This plan is draft only at this point, but is provided to give members information on the direction we are currently considering.  We would very much like your feedback on this (and any other areas).  If you have feedback or ideas in this area, please speak with one of the HOA board members.

**Protect home owners against liability:**

* There is an open question concerning legal liability of home owners should an injury occur on the shared HOA area along228th.
* We have conferred with two different lawyers but have not received a definitive answer on this.  It seems that the question can only be settled by litigation.
* Maintaining the HOA with an appropriate insurance policy protects against this risk
* The HOA purchased liability insurance which took effect on July 27, 2018. After receiving multiple quotes, we purchased our insurance with local Maple Valley State Farm agent Brian Boldman.
* There is also a question of liability and maintenance for the drainage / wetland parcels on 279th street. This is detailed in the upcoming section entitled “Natural Growth Protection Easement / Wetland Parcels” later in this document.

**Communicate shared interests to city and others:**

* HOA board members are currently involved in conversations with city officials regarding the fate and upkeep of the former golf course.
* The area is currently owned by the former owners of the golf course, but will be turned over to the city when the construction project reaches the half way point.
* We are currently looking into ways to maintain the area to ensure safety and security in this interim period and beyond.
* We have setup a website ([www.elkrunhoa3and5.com](http://www.elkrunhoa3and5.com)), along with a presence on the Next Door and Face Book communities to allow us to easily communicate on these and other topics with all our members.
* HOA board members are also communicating with the City, County, and Elk Run Golf Course association regarding the disposition and liability within the two drainage / wetland parcels on 279th Street. This is detailed in the upcoming section entitled “Natural Growth Protection Easement / Wetland Parcels” later in this document.

**We need your feedback:**

There are several items that require a vote from all members of the community, we have forms to gather these votes which will be made available at the general HOA meeting.  These forms are also available on request from any HOA board member.  We need votes from all members on the following items:

* Vote on removal of Elk Run III
  + Community members from Elk Run Division III would like to sever ties from the HOA.  This is due to several factors, the main one being that Division III contains only one shared area along 228th, and so would get less overall benefit.  Because severing ties requires 2/3 of all members to vote in the affirmative, we need to collect votes on this topic from all members of Elk Run Division V.  There will be legal fees associated with this dissolution, but some legal expenditure will be necessary to clean up the existing incorporation documents.  It is unclear at this time whether severing Elk Run Division III would result in any legal fees beyond this.
* Vote on continuance of HOA
  + If you would like to vote on whether the HOA as a whole should continue, we will have the necessary forms available.  If 2/3 majority votes to disband the HOA, the HOA will try to disband paying legal fees from the remaining existing funds.
* Vote on new bylaws
  + If the HOA will continue to exist, board members will work to modify the CC&Rs to reflect the new, light weight nature of the HOA.  This will involve largely limiting HOA actions to those items contained in the mission statement above.  Modifying the CC&Rs will codify these limits so that future HOA boards are required to abide by them.  These bylaws have not yet been drafted, so this item does not need to be voted on today, but it is included as an FYI on what we expect to be coming in the near future.

Hopefully you have begun to notice some positive changes in the neighborhood as a result of the HOA activities.  Again, please feel free to provide feedback to any HOA board member concerning any of the above information.

**Natural Growth Protection Easement / Wetland Parcels:**

Issue before Elk Run HOA Board

10/25/2018

After many attempts to clarify the status of the two Wetland/NGPE/Storm Drain parcels over the past few years, it was recently confirmed that the two parcels located in the subdivision should have been deeded over to the Homeowners Association at the time the development was completed. This would be the normal process for new developments. The reason this is done is to make sure that the property located within the subdivision is owned by the homeowners, maintained as part of the normal maintenance of the community for the protection of all the homeowners and upkeep of all common areas. As it turns out, that was not done. A few weeks ago, the current owner of the two parcels requested that the property now be deeded over to the HOA. We have done weeks of research on this option as well as other options for this property. These areas function as drainage areas for the entire subdivision. The current owners of the property do not want to continue owning the property. The property is located in the middle of our subdivision and holds no value to them.

**Option 1:** The HOA does not accept the parcels. If the HOA doesn’t take the property, the current owners intend to allow the property to go into default for King County Property Taxes ($26.00). King County would take ownership and at some point may try to auction the property. Due to the location and the purpose of the property, it is highly unlikely they will get a bidder. Based on conversations we have had with the City of Maple Valley and King County, if King County assumes responsibility for the property, they have no legal responsibility to maintain the property in any capacity. They will only take responsibility for damage after it occurs. The actual amount of liability would be determined by the County’s liability limitations, not the actual damage estimates. This option leaves all the homeowners in the area of these parcels responsible for the upkeep of any portions of these parcels impacting their property, as well as the County limitations and processes of filing a damage claim if it occurs. Anything needing to be done with these parcels would have to be done individually between the homeowner and King County.

If, for some reason, they do get a bidder, the owner will have no requirement to have insurance for the property if the property is paid in full. They also would have no responsibility to maintain the property. Any issues would need to be communicated with the new owner by the affected homeowners. If damage occurred, the homeowner would need to contact the owner directly.

**Option 2:** The HOA accepts the parcels. The HOA would request that the taxes be brought up to date and the current owner would file a Quit Claim Deed giving the parcels to the HOA. The HOA would then begin inspecting these areas on a regular basis to get ahead of issues and maintain the property in the most effective way. If any homeowner had concerns regarding these areas, there would be a clear direction. The properties would fall under the HOA insurance policy, protecting neighborhood homeowners from individual liability, and ensuring damages to adjacent properties would be covered in full.

# A Note from the Treasurer

October 24, 2018

**Greetings Neighbors!**

**As your elected HOA Treasurer I wanted to share with you what we’ve been up to with our money. It’s important to be good stewards of your funds and I hope that below you will see our efforts as your HOA Board have been to use our funds for the good of the entire neighborhood.**

**That being said, enclosed you will notice your invoice for our 2018/2019 fiscal year. In order to keep up with insurance, maintenance of the common areas, and the general costs of doing business (PO Box, postage, website hosting, etc.) we found it necessary to increase this year’s annual fees by 12%, the maximum allowed. My goal is to keep fees low! However, fees had not been collected in many years, so as a board we agreed that we must get our funds back to where they can meet basic expenses.**

**Elk Run HOA is split into many divisions and our neighborhood sits between hundreds of other houses, but our HOA actually only consists of 63 homes. Due to the small number of homes in Divisions III and V we also anticipate increasing the dues again next year to catch up with our financial shortfall. After that, it is our hope, we will not need to increase our dues but simply collect them annually.**

**If you’re wondering… *where did you come up with the amount $94.08?* It’s the exact twelve percent increase to the last collected dues, which were $84.**

**Many neighbors moved into the neighborhood while annual fees were not being collected, so this will be our first time to pay. Our entire neighborhood was blessed to be able to keep our money while the board chose not to collect dues during the recession. Now that the recession is a thing of the past we must look to the future and keep our neighborhood a desirable place to live.**

**Checks or money orders can be made payable to the “Elk Run HOA Div III & V” and mailed to our P.O. Box. Or, if you see me around the neighborhood, you can save yourself a stamp and hand deliver it.**

**Please reach out if you have any questions.**

Warmest Regards,

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| **Elisa M. Foreman**, Elk Run HOA Div III & V Treasurer |

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| **FINANCIAL STATEMENT OF ACCOUNT 2018**   |  |  |  |  | | --- | --- | --- | --- | | **DESCRIPTION** | **DEPOSITS** | **DEBITS** | **ACCOUNT  BALANCE** | | *Balance brought forward 1/18/2018* |  |  | $8,353.60 | | **Insurance** - State Farm |  | $1,106.00 | $7,247.60 | | **Landscaping** (Clean-up along 228th fence line and 279th wetland setbacks) |  | $3,000.00 | $4,247.60 | | **Attorney Fees** |  | $560.01 | $3,687.59 | | **Administrative Costs** (Website, P.O. Box, Banner, Postage) |  | $615.74 | $3,071.85 | | **HOA BBQ** |  | $130.20 | $2,941.65 | | |
| **2018/2019 PROJECTED BUDGET** | |
| OPERATING EXPENSES | ESTIMATED |
| **Insurance** | $1,106.00 |
| **Landscaping** (Common area clean-up of setbacks along 228th fence line and the wetlands along 279th.) | $1,500.00 |
| **Shared Fence Repair Costs** (The HOA Board discussed sharing the cost of materials for fence repair/replacement. This would require budget approval each year by the current HOA Board and could not exceed the budgeted annual allotment. This amount reflects the annual budgeted amount, since it would have to be amortized over at least five years. | $500.00 |
| **Administrative Costs** (P.O. Box, Postage, Website, Etc.) | $400.00 |
|  | **TOTAL $3,506.00** |

Below are projected incomes if Elk Run III is removed from the calculation. Also shown is an income projection at 20% non-payment. This reflects the reality of banked owned homes, and other conditions. where dues may be hard to collect.

**Projected income – Elk Run V only – 45 \* 94 = $4233 @ 80% = $3386**

Below are projected incomes if Elk Run III is included in the calculation. Also shown is an income projection at 20% non payment.

**Projected income – Elk Run V only – 45 \* 94 = $5828 @ 80% = $4662**