

MAY/JUNE 2009

# The Rancho Tehama Association TRAILBLAZER

www.ranchotehama.org

OUR  
FORTIETH  
YEAR

**BOARD OF DIRECTORS NEWSLETTER**  
The official publication of your association for all members.  
Staff 530-585-2444; Board 530-585-2631 Tel/Fax  
Managed by Hignell of Chico, 530-894-0404

## IN THIS ISSUE—

- A) All about Dues and your Money!
- B) Your Safety and Welfare
- C) What Your Directors are Doing
- D) What the Management Company is Doing

## INDEPENDENCE DAY AND 40<sup>TH</sup> BIRTHDAY CELEBRATION!

Parade --10:00 AM Stagecoach Rd. from  
Rec Hall to Fawn Meadows  
Party and Awards--After Parade at Fawn  
Meadows until 2:00 PM

Put On by **Rancho Tehama/Yollabolly Car  
Club.** Mel McNeil, President

Supported by **The Rancho Tehama  
Association**



LETS HAVE FUN ON SATURDAY, JULY 4TH!

## Fire Season Has Arrived!

One of the things frequently discussed by the Board has been this year's fire season. We have taken "Be Prepared" as our motto, and will be working on a new, more efficient, Fire Plan for the Ranch in the days ahead. The Fire-truck fill-stations on El Dorado, Alpine, Stagecoach, Lariat Loop, Mesquite, and Park Terrace have been modified so that the trucks can be filled from either the side or the top. There is still a small amount of manicuring to do at these stations, but for the most part they are "good to go". Late last month Jerry Carpenter, Roy Daniel and Alan Mills inspected these stations and Jerry remarked, "I have never seen the ranch this ready for a fire season." Jerry was also very helpful in finding some fittings we needed, and the Board extends its thanks to him and the Old Timers Fire Fighters for all they do to make us safe.

But it is really up to all of us to prepare for fire season. Keep the weeds and other debris pared down on your property, and be extra careful with fire for the next few months. **No burning and no fireworks are allowed in Tehama County after June 1.**

In the event of a fire, call 911 first. Then call the Old Timers Fire Fighters at (530)585-6000. The house you save may be your own.

## IT'S ELECTION TIME AGAIN!

Tom Gano, Ruth Haskell, Penny McGee (incumbent), Sheri Schultz (incumbent), and Anders White have thrown their hats in the ring in the race for two directors seats this year. Hignell and the Independent Inspector (Powell Associates) will be sending ballots by June 19 to all eligible (dues paid up at 4:00p.m. June 1, 2009) voters.

Directors serve for free (per state law) and are mainly responsible for the common area maintenance, covenant compliance, and financial operations of the association.

**Why should you vote?** Members should vote to have their voice heard in these matters, and to elect qualified people who will work together as a board to ensure the best direction for association affairs.

**Who are these candidates?** Ruth Haskell is sponsoring a campaign meeting on Saturday, June 27 from 1 to 4:00 p.m. in the Recreation Hall. All voters are invited to attend.

## WHAT IS HAPPENING WITH OUR ROADS? --the Never-ending Story

President Sharon Easton and V-President Alan Mills, with help from Hignell Management, have toiled to produce the Five-Year Road Plan. A copy is available in the office and on the web-site. The over-all approach to road maintenance involves the following three basic operations.

1. All gravel roads to be graded/ditched every winter & spring, weather permitting.
2. Paved roads to be re-surfaced in the summer each five years; thickness depends on road usage.
3. Paved roads during interim years will get winter and spring pot-hole repairs, and summer re-sealing as needed.

Rome wasn't built in a day, you know. So your patience with the management while we follow this plan is appreciated.

## AVOIDING LATE FEES

-by Carrie Lee

Many of our homeowners own more than one lot. It can become confusing as to which account you want your payment to be applied, unless you include your payment stub as well as your account numbers on your checks. This will help your payments to be correctly applied, avoiding late fees.

When making payments all members should include as much information as possible. The best way to do this is to include both your payment stub, and your account number on your check or money order.

It is not necessary to make out different checks if you do not wish to, as long as your account numbers are on the check. This applies, whether you bring your payment to the RTA office or mail in your payment to RTA or First Bank. Also be sure that if you use a bill-pay system with your bank that the bank includes your account numbers when it submits payments on your behalf. Your account numbers are located in the upper left-hand corner of your assessment payment coupon, below the words "Rancho Tehama". Please contact either the Association Office at 530-585-2444 or Hignell at 1-888-304-4674 if you have questions about locating your account number.

We cannot assume that your payments are to be split between your lots. If you make a payment for two lots on one check without any payment coupons attached or account numbers on the check, the entire check will be applied only to one account—the first account with your name that comes up on the list. That account will become "paid ahead" and the other account will earn a late charge.

Our members pay in so many different ways, and in so many different amounts it would be impossible for us to know how you want your payments recorded by First Bank and applied by Hignell without the proper information. For instance, some members will pay on one lot first; then, at a later date, pay on the other—and without a specified lot number on each of the checks, the payments will both be applied to the same account—the first account with the member's name that comes up on the list of accounts.

Or if multiple individuals own two lots and the first-listed owner pays on one lot and the second-listed owner pays on the other lot, there is difficulty in applying the second-listed owner's payment without any information on the check. That is because the second-listed owner's name never comes up when searching the list of accounts. The possibilities can be endless.

Please be sure to send all payments in a timely manner. Monthly payments must be received by the end of the last business day each month to avoid receiving a late fee. Quarterly payments must be received by the last business day of the first month in the quarter. For those who pay annually, payments must be received by the last business day of January each year. Post-mark dates are never used when posting payments—only the date received is used. Thank you for your understanding; including your account numbers and payment stubs will be very helpful for everyone.

## AVOIDING FORECLOSURE!!

"STAY OUT OF COLLECTIONS", is the answer. RTA boards have a fiduciary duty to collect dues from all members. The State laws for HOAs give boards the teeth to collect by allowing them to foreclose on the property when a member does not pay the dues. Here's how it works. Once an account is sent to collections, Allied takes over. From this point, Allied can proceed with the process all the way to foreclosure, if necessary, if the member does not pay the amounts due on their account. This process does take some time, but it is much less expensive for owners to stay out of collections in the first place. If the member continues to not pay, then foreclosure sale of the lot is the only way for the association to collect the money it is owed. The work that Allied does in this process is charged to the individual homeowner—not the association. However, if the Board were to stop this process for any individual accounts, then the Association would be obligated to pay Allied for its work out of its operating funds. The Board has to be careful in meeting its fiduciary duty and in treating association members in an equitable way.

### WHAT'S HAPPENING AT THE RANCHO TEHAMA AIRPORT??

Doug Dugger, Airport Manager, reports that during the month of May 2009 there were 142 take-off or landing operations, including 6 medivac operations—a fairly normal number for this time of year. Volunteers continue mowing of the airport. However, due to the age of the equipment (owned privately), frequently several days' downtime goes by waiting for parts to effect repairs. Most of the mowing now must be done in the very early hours of the day to avoid spark-generated fires.

On May 16, airport volunteers held a raffle for two airplane rides and two meals for two at Hal's Eat'em Up (Hal's owner is a new Rancho Tehama member) in Red Bluff. They were able to donate \$55.00 to the RTR Community Foundation. That same day a well-attended 'Friends of the Airport' meeting was held (also attended by Chuck Prehoda of Hignell Management) at which several ideas were suggested for improvements that could be made to the airport.

Mr. Dugger is also happy to report that the Association has cleared trees on a lot at the West end of the runway to satisfy CalTrans Aeronautical safety requirements for landings and takeoffs from the runway strip.

Our neighbor, the new owner of the Black Ranch to the west of us, has asked if he can

make occasional guest

landings at our airport, which is restricted to the use of all members and their guests.



## **SELLING YOUR PROPERTY AT RANCHO TEHAMA**

For transfers of lots in California Common Interest Developments (CIDs), there is an additional “closing cost” because of the records mandated by the CID’s recorded Declarations of Covenants, Conditions, and Restrictions that always provide for an Association and collection of dues. This closing cost is for paperwork and processes involved in transferring and creating new data in the Association management records. For tax purposes this closing cost is part of the cost basis of the property when computing capital gains on investments.

The Rancho Tehama Association’s Management, The Hignell Companies, keeps the Association records, but the Association does not pay Hignell for these closing costs in a property sale—either the buyer or seller pays during the escrow process per the sales agreement. Hignell’s current fee is \$185 for transfers in Rancho Tehama and it can take about 10 days for the title company demand to be processed. Both are required to process the requests in the order received. It could take longer if dues are overdue and have been sent to Allied Collections. Sellers, Buyers, and Agents should take this into consideration when drawing up their contracts.

What kind of paperwork and processes are involved for Hignell to accomplish the full escrow process in The Rancho Tehama Association? It is more than flipping a switch. Upon receiving the transfer paperwork, they:

- Match up the transfer paperwork with any other files on that property (demand, binder request, questionnaire, notes, etc.)
- Make a copy of paperwork, so there are two: one for Association Management department, one for Accounting department
- Assign a new account number to the new owner/property
- Update Access database with new home owner information
- Create new account within database for new homeowner information
- Give the accounting department its packet with check(s) to process
- Fill out form for First Bank to recognize new owner, fax to First Bank, and await confirmation back
- Create a Welcome Letter for new homeowner
- Print out coupons for homeowner
- Put together a Welcome Packet [letter, coupons, owner information form, association disclosures (budget, insurance, reserve study, collection policy, rules and regulations, etc.)]
- Mail out Welcome Packet to new homeowner

### 2009 Open Board Meeting at Rec Hall Schedule

<u>Tuesdays at 9:00a.m.</u>	<u>Saturdays at 10:00a.m.</u>
Jun        2	Jun 20
Jul         7	
Aug	Aug 1

ANNUAL MEMBERS MEETING AUGUST 1 AT 9:00 a.m.

Written and Published by The  
Rancho Tehama Board of

Directors:  
Sharon Easton

Penny McGee

Alan Mills

Sheri Schultz

William H. Westin, Jr.

### **Rancho Tehama Governing Documents**

Call the Office (530-585-2444) to get your  
1) Declaration (CCR’s),  
2) Articles, and  
3) By-Laws if you do not have them.

**By law, sellers must  
provide these  
documents to buyers.**

### FEES

The association charges a \$25 development fee for approval of lot development plans.

The management company charges a \$185 fee for transferring ownership when you purchase property in Rancho Tehama. This is a cost of your investment and is included in your basis for capital gains when you sell it.

### OFFICER WORKSHOPS

The current directors now meet every week to participate in confidential, workshop style discussions of issues they are handling and day to day operations. No decisions are made and no minutes are recorded.

### 2009 ELECTION SCHEDULE

Tuesday, March 3- Hire Independent Inspector  
Thursday, April 30-Request for Candidates  
Monday, June 1-Voting Date of Record  
Tuesday, June 2-Candidate Letters of Intent Due  
Friday, June 19-Ballots Mailed  
Saturday, August 1-Ballots due and votes counted

### ONSITE STAFF

Office – Carrie Lee, Administrative Assistant, Sonia Montes

Post Office – Danette Robinson, Senior Clerk; Shirley Cornelius, Clerk; Barbara Worthy, Clerk

Utility Services – Roy Daniel, Senior Utility Worker; Florentino Ramirez-Yanez, Assistant, Eddie Ruelas, Darin Madden, Sherry Parmeter

### KEEPING TRACK WHEN YOU SELL YOUR LOT

Tracking current owner information within Rancho Tehama has proven to be a very difficult process. The Hignell Companies has been able to take advantage of several resources that have allowed them to identify and retrieve accurate data for approximately 50 properties that previously had outdated and inaccurate owner information. This has resulted in more reliable communication and proper assessment posting for the Association and its membership.

### OUR MEMBERS ASK—Your Questions Answered

**Q.—I am not getting quarterly statements for my dues accounts. What happened?**

**A.—**Hignell sent you a set of 12 stubs in late 2008. If you use these to pay your \$35 every month on time, you will not get any statements. You will get a bill only when your account is overdue and you have been charged a late fee. You may pay to get an extra set of stubs, if they have been lost.

**Q.—The dues I pay should be spent on improving the ranch. Why are we keeping so much money in the bank?**

**A.—**State law requires that associations budget and save money ahead for the replacement of its common areas. Hignell and Browning Reserve Group have helped your directors build a budget and save back reserve funds for such things as resurfacing the roads every 5 years and re-roofing buildings every 20 years or so, etc. These funds are invested and earning interest at the best available rate.

**Q.—Why do we have so much computer equipment and a computer network in the office, now that we have a management company?**

**A.—**The computers were purchased for use when we had a staff of 3 plus directors needing to write or do internet research. We are still collecting money at the office and we have five very hard-working directors who still have need for the equipment, so we are obligated to maintain what we have.

**Q.—If our directors are not getting paid, per State law, what ARE they getting from us?**

**A.—**Good question? Certainly, the current directors feel they are giving much more than they are getting. So please be kind to them. They are overseeing 2 water systems, a fire-safety system of ponds, wells and hydrants, 2 recreational parks, 53 miles of roadway, an airport, ditches and gullies feeding into the creek over a 6-mile square area, a postoffice contract station, and a complex of buildings housing postoffice, office, fire and maintenance operations.

**Q.—What good is an expensive management company?**

**A.—**Hignell Management Company has not only given us a legal collections operation that treats all members equally and consistently. Hignell has brought Rancho Tehama management above the radar, in terms of getting recognition and assistance from homeowner attorneys, governmental funding agencies, and association advisory groups, such as Community Associations Institute (CAI). Directors have been given numerous seminars and training at little to no cost. They are keeping your directors from acting outside of the law, and from getting into conflict of interest situations. At all times they assist the directors in their primary fiduciary duties toward the members of the association. The benefits of increased income and reduced legal and employee costs outweigh the cost of their management contract.

**Q.—We used to have a lot of committees and now we have none. What happened to them?**

**A.—**Our volunteers need to be covered by Workers' Comp insurance and so far we have not been successful in getting this. Also it is hard to keep committees within the bounds of their advisory nature. So for now, only the CC&R Environmental Control Committee is actively working.

**Q.—I want to make a complaint. How do I do this, and how are complaints handled?**

**A.—**The association has several forms available in the office, including work orders, and complaint forms. They are now available also on the website. Once a complaint is received, a member of the board investigates and the board handles the complaint according to the covenants procedure adopted by the board in 2008.

### WHY WE SEND ACCOUNTS TO COLLECTIONS

- Accounts totaling \$123,868 have been sent to collections from January to June.
- From January to June, the Association has recovered \$22,059 from the accounts in collections, putting 39 homeowners back in good standing with the Association and out of Collections
- This means that of the current \$116,758 in past dues, about \$101,810 is represented in accounts that have been sent to collections
- The Association has only about \$14,948 in regular past due assessments that are not in collections