



HEBGEN LAKE ESTATES OWNERS' ASSOCIATION ANNUAL MEETING

Commencing at 3:00 PM on Saturday September 27, 2025,
at the Povah Community Center 10 Geyser St. West Yellowstone, MT

Board Members Present: Billi Taylor, Ashley Thompson, Penny Myers

Finance Committee: Ron Matesian

OA Members Present:

Marie Rizzo, Edith Ford, Steven Shealey, Ardith Shealey, Karrie Taggart, Gida Veronda, Angie Sainsbury, Stan Rohn, Betsy Schauerman, Amy Crunk, Sam Schauerman, Clyde Christiansen, Missy Finney, JR Suthy (Elliot Sutherland), Sarah Heames, Kara Vasquez, Lloyd Studer

Owner's Attending via Zoom: Erika Kingston, Dave Kingston, Jennifer Reinsch, Jerry Vesely

3-3:15 attendee sign in

3:15 Call to order

Introduction:

Three appointees to the OA Board, Billi, Ashley, and Penny introduce themselves.

Guest Speaker:

Alanah Griffith, the Owner Association attorney, introduces herself. Alanah has been working with Owner's Associations for 23 years and has over 1,000 clients. She has been representing the Hebgen Lake Estates Owner's Association (OA) for over a decade. She represents the corporation, not the Board, or the individual owners.

Developers are required to have covenants based on county regulations. Our covenants have been in place for almost 30 years. It could be in the interest of the OA to amend our covenants to reflect the current situation. The covenants are a contract. The wording needs to be specific – they cannot be ambiguous. Right now, the HLE covenant language is not clear. People ask why they are not enforced – mostly due to ambiguous language. Non-functional covenants are bad. They can open you up to a lawsuit. You do not want to go to court. It's not good for the community to take a neighbor to court. There are other ways to keep enforcement local, such as fines.

Q&A

OA Member: Covenant enforcement has been very uneven and inconsistent. Why?

Alanah: I have seen three approaches to covenant enforcement:

There is the Yellowstone Club type of enforcement, where you hire someone to patrol, detect, and enforce violations; there are associations who ignore violations; and third – most HOA's say "We'll enforce when there is a complaint." Typically, a neighbor doesn't want to sign a complaint.

Senate bill 300: Grandfather clause 70-17-901

Short term rentals for example: if the covenants change while you are an owner and you have short-term rentals, the new covenants may not apply, and the owner may be grandfathered in. New owners would need to follow the new covenants.

Nothing in the covenants says the OA must enforce the covenants. Any member can enforce the covenants.

There are some new Montana laws regarding covenants:

If a covenant is not enforced for 15 years, the covenant is waived. Mt 17-70-210

This doesn't apply to easements.

If one Board doesn't enforce, a future board can.

The association, or any owner, can enforce the covenants.

Taking an issue to court puts all of us at risk for attorney fees.

Member Question: Why do we have covenants?

Alanah: Because the County requires it.

The way covenants are now, if they (a violator) refuse after all 3 notifications, we go to court. In practice, if we moved towards fines and not suing, we can take care of it locally.

By buying property you enter into an agreement.

Board: Liability Insurance

The Association Board carries Liability Insurance for the Association/corporation. If a fire burnt through open space and your house caught fire, the OA carries insurance for OA property and Board members.

Premises/Common Space Liability Coverage: This protects against bodily injury or property damage that occur on your association's physical property.

Board members liability covers them in the performance of their duties and operations of the association.

However, it does not cover members liability for breach of fiduciary responsibilities nor cover acts of willful negligence, fraudulent activity, or intentional breach of governing documents.

Alanah: There is a Montana law that protects landowners who have recreation easements across their private land. This covers the "walking easements" designated on the HLE plat map.

Member Question: Mt law 35-2-901 Records

Alanah:

Here are some records you have an automatic right to see:

- 1) Annual meeting notes
- 2) Director's meetings
- 3) Member lists and addresses
- 4) Budget: profit and loss statement

Must provide copies within 5 business days.

Board:

We have a records request. Alanah says the OA needs to scan the old records that are part of the request. From 1996 to 2017, the records are paper. We (the OA) will have to pay for the labor of scanning or find volunteers to scan hundreds of pages of paper files that are stapled together and, in some cases, not uniform in size. From 1996 to 2000, there were fewer meetings. From 2000 to 2017 there were 22 annual meetings and approximately 204 Board meetings (The Board met once per month for 17 years, with rare exception). That does not include the Architectural Review Committee meeting notes, drawings and specifications, or the member lists. In 2018, the records became electronic and are posted on the HOA webpage. The print shop in West Yellowstone charges \$3 for the first page and .25 for each additional page – **if the page is not** wrinkled, stapled to another page, ripped, or a different size. If it cannot be fed from a stack, it has to be copied to a standard 8 ½ X11 page and then added to the stack to be scanned. If it is a big job, 300-1,500 pages, there will be additional charges and a 3-week completion time estimate. The shop will be closed from Mid-October to mid-November.

NOTE: The covenants state the Association records will be kept at “the office” and available for viewing “during business hours”. When the covenants were written, the Association was run by one person who had a business office and a full-time employee to run that office. Currently, the Association has no office or employees. Records have been stored in the homes of people who volunteered on the Board. There are paper documents in boxes; some are missing dates and subject labels. The Board is working to digitize all the documents, and make most available on our website.

Member Question: How do you dissolve the association?

Alanah: It requires an amendment (with 75% of owners voting for it) AND the County commissioners have to sign off on it. The County is not willing to dissolve covenants without the exception of any County zoning regulations.

Comment from Member: Hebgen Lake Zoning Regulations are about the same as our covenants. So, even if the covenants go away, we still have to follow the County zoning regulations. **Use the County for enforcement as much as possible.**

Member Question: What is your fee for a lien?

Alanah: It is a flat fee. We don't use attorneys to do that. My legal assistant does that work.

Member Question: How far away are we from meeting the vote to amend the covenants? Can we keep voting open?

Board: We've received 36 “no” votes.

Member: You've received 25% of the vote, therefore you cannot reach the 75% needed, so the vote is dead.

Board: Some people may want to change their vote or add their vote. We are not required to close the vote at this time.

Alanah: The way to pass an amendment is from the bottom up. The **MEMBERS** must want the amendment. It doesn't work if it's perceived as the Board pushing an amendment on the members.

Member: Our community is turning into an industrial park. We're not a community. This isn't a neighborhood community.

Alanah: I think you can all work together, and the process of amending the covenants can bring you together.

Member: I've looked through a lot of Board meeting notes, and all I see is the Board being appointed, not elected. The covenants and bylaws state that the Board will be elected by 50% + 1 of the membership.

Alanah: This is a common issue, not being able to elect with 51%. It happens all the time.

The only way I've seen it solved is by hiring a paid property manager, or in the case where a community has people who have no other job that want to volunteer to do all the work. All the attorneys across Montana have agreed to advise the same thing: "you can't not have a Board, so you have the election with the people who care enough to show up." Whoever shows up. If you don't have a quorum the first time, you meet again and the quorum requirement drops in half. If that doesn't work, you meet a third time, and it drops another half.

Using this to stop a Board from working/functioning could put the Owners Association in violation of county zoning regulations.

The "**Non-Profit Act**" provision does support an appointment (vs elected) Board.
The "**Non-Profit Act**" states that a Quorum = 10%

Member: The Board doesn't have the authority to file a lien.
The By-laws section 5.04 = present in person, or by proxy
The By-laws section 6.02 = Board members SHALL be appointed by a majority of lot owners of record.

Alanah: Realtors are getting more savvy about liens. The covenants create the liens, so even if a lien is not filed, it still counts and the new owners take on the lien.

Member: **Change the by-laws.** Changing the bylaws is easier than changing the covenants – if properly noticed.

Alanah: You need to amend your By-laws.
During covid a new Montana law was put into effect: Homeowner Associations can do all meetings online and have email votes. It's part of the "Non-Profit Act."

Board: I've been hearing about potential **zoning changes to increase the number of dwellings** allowed on a lot due to the housing shortage. Would this affect HLE?

Alanah: **No.** There are conversations about County-wide zoning and State-wide zoning. Accessory Dwelling Units (ADUs) do not apply to us. We are too small.

End of Q&A session. Collect proxies and ballots while Alanah is present.

RESULTS OF ELECTION OF NEW BOARD MEMBERS

Board finishes tallying the votes for the Board: Only 31 votes.

Alanah: Seat the people who showed up.

Member: That’s less than 25% of the total owners

Alanah: It is, but “you can’t not have a Board, so you have the election with the people who care enough to show up.” Whoever shows up. If you don’t have a quorum the first time, you meet again and the quorum requirement drops in half. If that doesn’t work, you meet a third time, and it drops another half.

Alanah departs

Penny received 31 votes

Ashley received 31 votes

Billi received 30 votes

The above Board members were elected to a 3-year term of office by those owners in attendance plus those owners who submitted proxies designating an attending owner to vote for the above Board members.

Financial Report from Finance Committee:

Outgoing Treasurer Ron Mahtesian presented the association’s financial summary and Income Statement below.

Bank Balance is currently is \$41,439

Revenue source are from annual HOA dues of \$75 per lot, and architectural fees of \$300 per building plan.

Late Payment Policy: A late fee of \$25 per lot per year will be applied, along with an annual interest rate of 10% on the unpaid principal.

Major expense is providing for weed spraying; owners who opt out of weed spraying are responsible for controlling their noxious weeds.

Attorney fees are approximately \$425 an hour.

INCOME STATEMENT as of 27 September 2025

2025 Beg/Bank Balance

Forward.....\$41,438.98

Income:

- Deposits of current year dues to date.....\$9,050.00
- Deposit of ARC fee.....,\$900.00

Total Deposits to date.....\$9,950.00

Total Income.....\$51,388.98

Administrative & Operating Expenses:

- Noxious Weed Control.....\$3,742.00
- Insurance Premium.....\$1,676.00
- Legal Fees.....\$966.38
- 2025 dues uncollected to date.....\$775.00
- Property Manager Fees.....\$737.50
- Printing, Email Svc. & Supplies.....\$968.67
- USPS Box Rental & Postage.....\$300.72
- Website Management,,.....\$157.71
- HOA Filing Fees.....\$50.00

Total Expenses.....\$8,407.60

Income less Expenses..... \$42,981.38

Old business/New business:

Rainbow Point Road update

The Western Forest Lands Division of the Federal Highway Administration awarded a Federal Lands Access Program (FLAP) grant to Gallatin County to re-pave Rainbow Point Rd. The work will be contracted out by the County. The reason we received that grant is because Rainbow Point Road provides access to a Forest Service campground, Hebgen Lake, and surrounding National Forest land. The Denny Creek part of the grant was denied. The work is scheduled for 2027/2028. The contract has not been written, yet. It's early in the process. There will be a public comment period and that is when this community can voice their concerns about hazard trees blocking the road. Part of the grant includes a "safety" component. Right now, what is listed under the safety portion is road signs to improve safety at curves and snowmobile crossings. People can request that hazard tree removal be part of the safety work in the 80-foot right-of-way(ROW).

Member Concern:

- The Forest Service response said that as the project enters the design phase in a few years, it will be looking at the Gallatin County right-of-way and determining the needed clearing distances which will likely entail further removal of trees along Rainbow Point Road.

- If HLE owners do not want to wait until 2027 and beyond for possible funds to be appropriated, they can write their Senators and Congressman requesting that the Forest Service cut back the trees along Rainbow Point Road at least 30 feet on each side of the road. Making this request would mitigate the ever-increasing danger that wildfires pose to our community. If a wildfire were to arise in the Forest Service land that borders Rainbow Point Road, trees that caught fire could fall onto Rainbow Point Road and block our only exit out of HLE. Falling trees on Rainbow Point Road would also block the ability of emergency and fire-fighting vehicles to access our community. A 30-foot cut back on both sides of the road would ensure that no burning trees could fall on Rainbow Point Road. A 30-foot cut back would also provide a fire break to help prevent a fire on one side of the road from jumping to the other side of the road. The lives of many people are at serious risk should a wildfire arise on Forest Service land that borders Rainbow Point Road.

Member: What about paving HLE subdivision roads?

Board Member: That came up in 2020, and a Morrison-Maierle representative (James Nickelson) stated that you would have to prove the cost of maintaining a paved road is less than the cost of maintaining a gravel road. He ran the numbers and determined it was not going to happen.

WEEDS update

Board Member:

A lot of people were not happy with the weed spray program this year. Here are a few reasons it was difficult for Lloyd to effectively spray in HLE:

- 1) Extremely short time between mowing and Lloyd spraying (we didn't know exactly when he would show up) made it impossible to detect weeds mixed in with other vegetation.
- 2) Lack of signs that he requested to mark the "no-spray" lots.
- 3) Not knowing where the lot lines are located and not wanting to trespass on no-spray lots.
- 4) Difficulty determining what lots to cross to access open spaces (doesn't want to cross a no-spray lot).
- 5) He doesn't have a GIS map program that shows him where his is in the subdivision, but he plans to use one next year.

The price of the chemicals is going up due to tariffs. We do not know how high it is going to go. We propose for 2026 that the Association drop the spray program back to only what we are required to do by Montana law: The ROW within the subdivision and the open spaces. Private lots would be managed by the owners. If we do that, we will need a new contract agreement with Lloyd. The OA is not responsible for controlling weeds on the two large county owned lots labelled "Park" on the plat map. The OA is not responsible for the 9 acres that HLE deeded to the County Water Sewer District.

Members: those present seem to support the idea of dropping the spraying contract back to ROW and Open Spaces.

Lloyd:

The ROW is a 30-foot easement. There is a new regulation **coming this year requiring to spray the ROW in front of EVERYONE's lot.** Whether it is a spray lot or a no-spray lot. Lloyd does not use Roundup, but Roundup is less harmful than Tide detergent pods.

Lloyd uses a product called “Trump Card”, and another called “Escort” which both are classified as “no graze restrictions”, meaning they are not harmful to pets, people, bison, elk, deer, etc.

Member: I used (Trump Card) on my two lots and it worked. It was \$175 for 2 ½ gallons.

Board: Weeds on the Preserve. We talked to the YR Ranch Preserve manager, Travis Hanson, regarding weeds along the common boundary of HLE and the Ranch. They are controlling weeds. They also seed after they spray. They have a native plant mix which they paid to have developed for this specific area. It is called "YR Preserve Road Mix" and is available for purchase from Circle S Seed, in Three Forks, MT. It is expensive but effective for this area. Travis suggested checking the ingredients to see if one species is more expensive than the rest and maybe eliminating it from the mix would be a way to reduce the cost.

Member: Who enforces weed control?

Board: In Montana, county weed boards are responsible for enforcing weed control regulations on private land. These districts, established by the County Noxious Weed Control Act, have the authority to manage **state and county-listed noxious weeds** within their jurisdiction.

“If a landowner fails to comply after receiving notice, the county weed board can enter the property, control the weeds, and bill the landowner for the costs plus a penalty. If the landowner does not pay the bill, the amount can be entered onto the assessment list as a special tax on the property.”

The list of noxious weeds for Montana includes (but is not limited to) hoary alyssum, toadflax, knapweed, musk thistle, Canada thistle, Scotch thistle, houndstongue, and whitetop. Unfortunately, kochia is not on the list. Neither is “cheatgrass”, which is horrible for wildlife, dogs, horses, etc.

Hiring a Property Manager:

We received a proposal from Katie Thompson, who is the West Yellowstone finance director, to work as our property manager and would include all the tasks that Patrick and Ron formerly did for the OA. In 2018, the Owner’s Association paid a property manager \$1,750.00, according to the budget report. In 2019 they added several items to the manager’s duties such as filing taxes, annual non-profit corporation papers, etc. There is no updated cost information for those additional duties in 2019. In 2024 we paid 2,000 for Patrick to do some property manager duties and a volunteer Board member did all of the financial duties such as billing, paying for the website, weed contract, etc. Katie’s proposal is \$4,200 per year to do all the property manager and finance duties.

Her duties would include:

- Monthly Bookkeeping & Reporting—Accurate reporting of all transactions, reconciliations, and preparation of monthly financial statements.
- Budget Preparation & Forecasting—Assisting the board in creating realistic annual budgets and monitoring performance throughout the year.
- Assessment & Fee Tracking—Managing homeowner accounts, tracking payments, and providing clear reporting on delinquencies.
- Vendor Invoice Processing—Recording, verifying, and preparing payment schedules for HOA vendors and contractors.
- Mail Management and Deposits—Collecting and processing HOA mail, making timely bank deposits, and safeguarding sensitive financial documents.

- Email Management—Monitoring the association's email account, responding to inquiries as appropriate, and forwarding board-related matters in a timely manner.
- Ballot Handling—Ensuring proper care and confidentiality of ballots during association elections and votes.
- Year-End Preparation—Organizing financials for tax returns and filings, along with annual meetings.

We need volunteers for the board. We are not limited to 3 people.

Thank you to past OA board volunteers:

12 years: Vonda Laird

6 years: Kate Eiseley, Ron Matesian, Cindy Freedman, Jeff Shoenhard, Ann Sexton

4 years: Jennifer Reinsch, Edith Ford, Karrie Taggart, Ed Millspaugh

3 years: Robert Griffin, Russ Mendenhall, Bob Strand, Chris LeGourd, Sara Erbe, Michelle Barstad, Bill McNutt, Tom Heyes, Rocky Hermanson, Charles Flemming

Adjourn.