

## 2019: Extreme Weather at the Ranch

We had wild weather at the ranch this year. First, a winter that dropped much more than normal snow in Williams and rain on the Ranch. As a result, Cataract Canyon flooded through the ranch for two full weeks, wiping out the road crossings on West Bright Sky and Painted Rock Trail. Even the crossing on Espee Road was mostly too deep to cross without a very high suspension. One of our residents used the opportunity to kayak down Cataract and with all the moisture, the ranch prairie blossomed into multitudes of wildflowers and tall grass.

Then a very hot, dry summer with little monsoon precipitation that caused hard, washboard roads and extreme fire conditions.

Lastly, snow storms on Thanksgiving and Christmas. The first storm caused many people to get stuck and then pulled out of snow banks and ditches. Our roads contractor plowed the main roads otherwise most residents and visitors would have been stranded for days. Many tree branches around the ranch were broken due to the weight of the snow; you'll probably see some on your next visit to the ranch. For a little perspective on how extreme the Thanksgiving snow storm was, the Grand Canyon South Rim and city of Tusayan both lost power for a couple days, and many Valle residents had to be rescued from their homes by the Coconino County Sheriff's Department. Fortunately, everyone on the ranch survived and many of us enjoyed goofing off in the snow and experiencing the winter wonderland.

## Web Site Updates

We've updated our web site with a new look & feel and incorporated an on-line dues payment capability. The on-line dues payment capability was a popular request. In the near future, we'll be adding an on-line member contact information update capability so members can update addresses, emails and phone numbers easily and conveniently.

In addition to these capabilities, we've simplified the navigation, added links to County zoning and building departments and added information about regional wildlife and ancestors.

Be sure to check out our updated web site at [www.4hrpoa.org](http://www.4hrpoa.org) and let us know what else you might like to see on it!

## Roads Maintenance Costs

As mentioned above, both Cataract crossings were destroyed by last winter's flood. The Association's Board authorized up to \$55K to repair both crossings. The repairs consist of installing larger culvert capacity, pouring concrete on the upstream side of the crossings

## State of the Association

THAD JOHNSON  
PRESIDENT

The Four Hills Ranch Property Owners Association consists of 506 lots spread over approximately 35 square miles of canyon country in northern Arizona. There are 422 lot owners, with 52% residing in Arizona, 27% residing in California and the balance are spread across the North America, with 420 residing in the USA and 2 residing in Canada. The current estimate of full-time residents currently living on the ranch is around twenty. We expect this number to increase notably in 2020 as there are multiple lot owners in the process of building or applying for building permits to build homes.

Dues are fundamental to the operation of the Association. They fund road maintenance, insurance, fire services, website hosting and other administration as necessary. We typically receive 95% of dues on-time and pursue delinquent payments promptly and persistently. We only file liens or take legal action when absolutely necessary. Through these actions, we were able to recover over \$12K in delinquent loans during 2019.

The Association is solid financially (see following financial reports) with over 154% of our annual expenses in reserve. This is a bit above our target of 115-125%, mostly due to the 2019 delinquent account recovery coming in higher than anticipated, and weather in December preventing us from spending as much on road maintenance as we had planned.

This year the Board took on three major initiatives. We moved our mailboxes from the east side of SR64 to the west side and doubled the number of boxes. We updated our web site ([www.4hrpoa.org](http://www.4hrpoa.org)) and added an on-line dues payment capability (an on-line member contact information update capability is in the works). We established Association working policies to clarify sections of our CC&Rs that we've received questions about. All of these initiatives are described in more detail elsewhere in this newsletter.

## Mailboxes

This year, Howard Mesa Ranch requested we move our bank of mailboxes from the east side of SR64 to just west of SR64, accessible by Big Elk Road. Without going into the nitty gritty of the request, ultimately, we felt the request was beneficial to the Four Hills Ranch POA membership. In addition to getting a newer bank of mailboxes, we were also able to purchase another bank of mailboxes - doubling the number of mail

The Association maintains over 80 miles of roads in our ranch. Our Roads Mission is to keep roads as passable as possible year-round for our members and emergency vehicles. Except during extreme weather events, all roads are passable year-round with 4WD vehicles. Most roads are passable year-round with 2WD vehicles except when the roads are flooded or extremely muddy after rain / snow storms. We try to post road issues on our web site to alert members when they may have difficulty getting into or out of the ranch.

This year the responsibility for maintaining the HMR/4HR Common Roads transferred to our Association. We will be managing the quarterly gradings for three years (more detail elsewhere in newsletter).

As a reminder, the Four Hills Ranch roads are PRIVATE roads and only Four Hills Ranch POA members and their guests are authorized to use our roads. Hunters, land-locked property owners and other individuals that do not own Four Hills Ranch properties are not authorized to use our roads.

More and more members are visiting and enjoying their lots and we've received numerous inquiries regarding what is allowed regarding sheds and other structures on their property. Sheds and other structures are regulated by the Coconino County Zoning and Building Departments and we've posted the County Shed Q&A on our website to help answer these questions.

The ranch continues to be a place of serenity, beauty and community. Residents and visitors want to enjoy the quiet, peaceful days and star-filled nights. Please be respectful of your neighbors, other visitors and wildlife when you're at the ranch. We are all neighbors, so if you need assistance or just want to share some social time, feel free to say "Hi" when you see someone at the ranch.

It's been a pleasure serving as your Association president and I look forward to seeing you at the ranch or our annual meeting in June.

## Hobby Farms

Occasionally we get questions from members and from potential lot buyers whether or not "farms" are allowed on Four Hills Ranch properties.

Section 5.K of our CC&Rs, states, among other things, "Under no circumstances shall a stockyard, dairy, riding stable, kennel, poultry farm or any other commercial activity (other than ranching) involving animals be

and raising and extending the roadbeds to prevent overflow. We are hoping these crossings will last more than 20 years, but as we all know, 100-year floods seem to be happening more frequently.

In the last few years, our road maintenance costs, both materials and labor, have increased about 30%. However, Association dues have been raised only 4% over the last ten years. Going forward, we will not be able to continue to maintain and improve our roads at the current level without a dues increase. The Board is considering a dues increase in 2021 and will be discussing it with members during the Annual Meeting in June 2020.

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## 4HR/HMR Common Roads

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An important function of the 4HRPOA is to periodically maintain private Four Hills Ranch / Howard Mesa Ranch "Common Roads". The Common Roads are used by both Howard Mesa Ranch and Four Hills Ranch members to access their property. Both associations contribute funds for the maintenance of the Common Roads.

The primary responsibility for Common Roads maintenance is shared, switching periodically between the two associations as directed by the Road Maintenance Agreement recorded by the Coconino County Recorder on May 22, 2015 (available on our web site).

This May, the primary responsibility of maintaining the HMR/4HR Common Roads transferred to the Four Hills Ranch POA. The maintenance will include quarterly bladings and other repairs as necessary.

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## Break-ins at the Ranch

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Break-ins continue to be a sporadic problem on the ranch. The best way to minimize thefts is to visit your property regularly, secure belongings, and consider placement of monitoring cameras on your property. And please update your contact information so neighbors can contact you to report any incidents to you.

If you experience a theft of vandalism on your property, please immediately call the County Sherriff at 800-338-7888 and inform the Board at [board@4hrpoa.org](mailto:board@4hrpoa.org).

boxes available to our members.

Kim Shuey, one of our Board members, coordinated the move for the Four Hills Ranch POA. This involved working with the Howard Mesa Ranch POA, the Post Office and all Four Hills Ranch members with existing mailboxes. This was a complex project and Kim pulled it off with flying colors! Thanks Kim!

The new mailboxes will be sold to members living full-time on the ranch and meeting certain criteria (explained below) for a fee of \$100. The fee covers the cost of purchasing and installing the mailboxes. All members with existing mailboxes (purchased by members years ago) were given a new mailbox and did not need to meet the new criteria.

The criteria for obtaining a new mailbox is set by the Post Office and County. Basically, as we understand it today, anyone requesting a mailbox must have an occupancy permit for the residence at the address they want a box for, or have an active building permit in-process.

If you are interested in a new mailbox and meet the criteria above, please send an email to [board@4hrpoa.org](mailto:board@4hrpoa.org) including your name, email address, phone number, ranch lot number and ranch address.

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## Dues Collection Policy

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Occasionally we receive feedback from members that our dues collection process and key dates are not well communicated or understood.

To ensure everyone has a good understanding of our dues collection process, the Board approved an Assessment Collection Policy in 2019 and it is posted on our web site.

If you can't pay your dues on time, you might want to scan the policy to become familiar with what to expect during our collection process.

permitted."

Some people that live on the ranch have horses, goats, chickens and regularly share eggs with neighbors. Some would also like to sell a few extra eggs at the local farmers markets.

In order to clarify, at least from the Board's perspective, what is allowed and not allowed with respect to "farming" on the ranch, the Board adopted the Hobby Farms Policy at the 12/07/19 Board Meeting. It is posted on our web site.

In essence, the policy allows small "hobby farms", those that do not supply the owner with a sole or substantial income, use industrial equipment/trucking, hire outside help, cause excessive night-time lighting (respects dark sky ordinance) or cause additional road traffic by buyers, commercial equipment or trucks.

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## Annual Meeting & Elections

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The Annual Meeting of the Four Hills Ranch Property Owners Association will be held in June, 2020.

We will be electing one Board member at the meeting. If you're interested in volunteering your personal time and energy to contribute to the Four Hills Ranch Property Owners Association, please consider running for the Board; it's your best way to influence the future of our ranch.

Please plan to attend the Annual meeting and meet your neighbors at Four Hills Ranch. More details, including the date, time and location will be mailed to owners and posted on our web site in April. We look forward to seeing you there!

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## Fire & Rescue – DIAL 911

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Four Hills Ranch POA contracts with **High Country Fire Rescue** for fire and EMS services. HCFR will respond on all fires, medical and traffic incidents in Four Hills Ranch. When calling 911, tell them you are in Four Hills Ranch and covered by HCFR.

# Four Hills Ranch Property Owners Association

## Balance Sheet

December 31, 2019

(Accrual Basis)

### ASSETS

#### Current Assets

Cash and Cash Equivalents \$ 174,225.76

Accounts Receivable 102,113.94

Total Current Assets \$ 276,339.72

**TOTAL ASSETS** **\$ 276,339.72**

### LIABILITIES AND EQUITY

#### Equity

Fund Balances \$ 311,089.62

Net Income (34,749.90)

Total Equity \$ 276,339.72

**TOTAL LIABILITIES & EQUITY** **\$ 276,339.72**

## Four Hills Ranch Property Owners Association

### 2019 Operating Statement

January 1 – December 31, 2019

(Cash Basis)

#### Revenue

#### Projected

#### Actual

\$ 112,000

\$ 126,701.43

#### Expenses

Road Signs

\$ 1,000

\$ 745.62

Mailbox Improvements

\$ 3,050.46

Contract Services

\$ 4,000

\$ 4,500.00

Liability Insurance

\$ 920

\$ 1,350.00

Postage and Mailing

\$ 500

\$ 1,258.45

Professional Services

\$ 12,500

\$ 11,266.85

Road Maintenance

\$ 86,200

\$ 122,934.47 \*\*

Other Expenses

\$ 1,830

\$ 2,611.16

**Total Expenses**

**\$ 107,000**

**\$ 147,717.01**

**Net Ordinary Income**

**\$ (21,015.58)**

Interest Income

\$ 48.43

**Net Income**

**\$ 5,000**

**\$ (20,967.15) \*\***

#### **\*\* NOTE \*\***

The unusually heavy rains and snowmelt in early 2019 caused major damage to FHR roads. The Association determined that the major repairs could not be accomplished within the annual road maintenance budget. The Association considered three (3) options: 1) Increase regular assessments, 2) Levy a special assessment, or 3) Use operating reserves. After careful consideration, the Association approved up to \$55,000 from the Operating Reserves for repairs, understanding that the action would result in a negative net income for the year. As a result, Operating Reserves decreased from 174% to 156% of the Annual Budget, still a strong operating reserves position.