

**MEADOW LAKES MOUNTAIN ESTATES PROPERTY OWNERS ASSOCIATION
ANNUAL MEETING JULY 22, 2017**

Meeting materials mailed to the membership:

1. Agenda for 2017 Annual Meeting
2. Proxy
3. Absentee Ballot
4. Draft of Minutes from 2016 Annual Meeting
5. Building Committee Report
6. Roads Report
7. 2017-2018 Draft Budget Report

CALL TO ORDER:

The meeting was called to order by President of the Board, Toby Dunn at 1:40. Thirty-nine members signed in or were present by proxy, constituting a quorum.

WELCOME TO NEW MEMBERS:

Toby welcomed the new members since last year's meeting: David and Susan Harder Lot 19, Randie Thompson and John Atkins Lot 38, and Rick and Bobbie Jones Lot 45. All were present.

INTRODUCTIONS:

All members then introduced themselves with numerous members sharing some of their history as property owners of MLME. The new owners of the former MV Ranch, Katy Welter and Rick Bieterman, were introduced by Toby and asked to speak a bit about themselves and their plans for the ranch. Katy and Rick shared their backgrounds. They spoke about their current business in BV, The Watershed, and the premise of community and collaboration on which it is based. They plan on bringing the same concept of shared space to the ranch and stressed that it will remain a ranch. Still in the exploration stage, one possibility they mentioned for the future was cooperative farming. Dan D. pointed out that MVR no longer exists and that Katy and Rick bought the assets. Rick notified everyone that they would be changing the locks on various gates. Since becoming the new owners, they have become aware that Franklin had various arrangements and relationships with people to whom gate keys were given. Rick and Katy are happy to consider honoring these relationships as they begin to understand the scope of them. They suggested that perhaps MLMEPOA could help. At this point, they asked to be contacted for access. Contact information is:

Rick 312-613-1872, rickbieterman@gmail.com

Katy 219-241-6786, welterkaty@gmail.com

Leonard S. inquired about the locks on the Weiss gate and Rick advised he would be removing old MVR locks but knew nothing about the other locks. Discussion followed regarding the history of the Mountain Valley Ranch name and Rick and Katy's plans for naming the ranch. No new name yet. Hugh E. inquired about the status of Early Dawn Lake. Katy advised that they haven't heard anything from the water commissioner and after talking with their attorneys they feel confident Early Dawn will be staying. John O. reassured everyone that his dealings with Katie and Rick through the downtown

business owners associations have demonstrated that they are good people and that we should give them time to settle in before pressing them with our concerns.

OLD BUSINESS

Minutes of 2017 Annual Meeting

The minutes of the 2016 Annual Meeting were approved on a motion by Dan Daly and a second by John O'Brien.

Building Committee Report

Dan Daly presented the Building Committee report as written. See below. He advised that there are 2 new homes under construction on Lots 45 (Jones) & 47 (Todd/Wright). Lot 26 (Jewell) submitted an improvement application for a ground-mounted solar panel which was approved and the work has been completed. Lot 13 (Daly) was approved for installation of 2 55 gallon drums to collect rain water. Work is in process. Dan thanked the members of the committee for their work. John O'Brien added that he had been notified that Stanley Jewell (Lot 26) died the end of May.

**Meadow Lakes Mountain Estates Property Owners Association
Building Committee
2016-2017 Annual Report
July 22, 2017**

For the first time since 2010, we will have new homes constructed in MLME. The Building Committee has approved improvement applications for the construction of new homes on Lot 45 (Jones) and Lot 47 (Todd/Wright). The Todd/Wright project is framed and nearly closed in as of early July, while the Jones home construction is due to start anytime. The Joneses will be full-time residents while the Todd/Wrights will initially be seasonal residents.

The Joneses are camping on their property in a small travel trailer during the construction of their new home. They have obtained the necessary Chaffee County permit and Building Committee approval to do so, and are in compliance with MLME covenants and guidelines.

Each of these Lots (45 & 47) was previously owned by Chaffee County Habitat for Humanity. When Habitat determined the lots were not suitable for their home construction needs, the lots were sold to their present owners.

In September, the Committee approved the application of Stanley Jewell (Lot 26) for the installation of a ground mounted solar panel array to generate electricity. The project has been completed and is operational.

In early July, the Committee approved the application of Dan Daly (Lot 13) for an under-deck installation of two 55 gallon drums for the collection of rooftop rainwater run-off. The installation is in process at this time.

The Committee currently has no improvement applications pending. We anticipate the start of construction of a new home on the Pittman-Osowski property west of Morrison Creek Circle in 2017 or 2018. This property is not within MLME boundaries and is not subject to Building Committee jurisdiction. However, access to the property is through MLME using MLME roads.

Respectfully submitted,

Dan Daly, Chair
Jamie Page, Member
Rebecca Hitchcock, Member
Alex O'Brien, Alternate Member
Kris Galyean, Alternate Member

Roads Report

John O'Brien presented the Roads Report. See below. We continue to address the 5 year plan, which included an annual \$50 increase in dues, to improve MLME roads from the main access at Hwy 24 to Lot 27 (Dunn). John spoke about the new speed hump on Mountain View Dr. adjacent to Waupaca Reservoir which was installed to help with washboarding. He also pointed out the new speed limit signs and the need to drive 20 mph or less to decrease the washboard effect. Concern was expressed over the height of the speed hump and the possibility of lowering it. Kris Galyean offered his number, 719-839-5111, to plow when concern was expressed about snow drifting around the hump. General consensus was that the hump was helping with the washboarding of the road.

The causes of washboarding of the road were discussed including: speeding, inconsistent speed, grading of the road, and the UPS driver. Milo shared that a complaint regarding the UPS driver's speed could be filed with the Salida office. John offered that we all speed at one time or another and hopefully the Speed Limit signs and the speed hump will be good reminders. A suggestion was made to approach Rick and Katy about using their tractor to pull the drag to smooth the road between gradings.

The question was asked about the trimming of the grass along the ditch alongside the lake was addressed. John said that trimming weeds along the road is not part of the road maintenance program.

2016-17 Road Report

Roadwork: This season the continued focus was on improving the main access road, Mountain View Dr. All roads were graded; base material installed in selected areas and a drainage problem on Twin Kopie was corrected. The cost of this work is expected to be within budget.

This fall and next spring we will continue to improve the main access road Mountain View Dr. along with grading and shaping all the side roadways. The availability of acceptable road base material continues to be a problem.

Snow removal: After a relatively hard early winter we were surprised with one late spring snow. The total snow removal costs is expected to be on budget.

Roadwork – 5 year plan: Our plan for the roads over the next five years is to improve the main access to the community from Hwy. 24 up Mountain View to the intersection of Lakeview Dr. We will shape and grade the main access road, install gravel where necessary and road base. This will improve access to all the side roads that will be maintained during this period of time using grading only.

Waupaca/McFadden Update

Toby Dunn presented the Waupaca Dam Report. See below. He was proud to share that the new water meter was now installed so we can ensure that we are in compliance. Thanks to John O. and Dan D. for facilitating the installation of the new flume and stage discharge recorder. The metal staff gauge to lower the south end of the reservoir has been obtained. He also reported that the sump pump as well as the vegetation on the dam was going to be removed. Leonard S. offered his equipment to fill in the sump pump hole.

After reviewing the Reservoir Fund Expenditures, Toby reminded everyone of the importance of reporting water meter readings.

Concerns were raised about the possibility of the vandalism of the new water meter. Possible solutions included putting up a game camera and putting a lock on the box.

Meadow Lakes Mountain Estates Property Owners Association Waupaca Dam Committee 2016-2017 Annual Report July 22, 2017

Update:

Following Forest Service approval of our permit application for installation of a water-measuring device on McFadden Creek, the Committee spent most of the year focused on the purchase and installation of the flume and the flow-measuring device. Once these were purchased and delivered Dan Daly and John O'Brien installed the flume on April 25. Toby Dunn and John O'Brien installed and calibrated the flow-measuring device on May 26. The system is working as designed. It measures and records the water flow at 15-minute intervals, 24 hours per day. The measurements are recorded and saved on a computer chip for downloading and reporting to the state on an annual basis. The total cost of the project was \$3234.32. We split the cost three ways with the two other McFadden Creek water owners (MVR and Ted Palpant), so each party paid \$1078.11.

In September 2016 we received an interim inspection of the Waupaca #2 Dam from the State Engineers Office. The inspection report noted three actions we need to take to

bring the dam into compliance with state requirements.

1. Install a permanent staff gauge to measure the water level in the reservoir.

Board Action: We have obtained (at no cost) several lengths of angle iron to be marked with gradations for permanent attachment to the outlet valve stem pipe. Measurements have been taken for marking the gradations. We can attach the angle iron to the stem pipe the next time the water level is sufficiently low in the south end of the reservoir.

2. Remove the sump pump and fill the sump hole on the downstream side of the dam.

Board Action: We have recently had discussions with the new owners of MVR about using their backhoe to fill the hole. Prior discussion with the sump pump owners indicated there was no problem removing the pump and filling the hole.

3. Remove all vegetation and any trees smaller than 6 inches in diameter from the dam face and the footprint surrounding the dam area.

Board Action: We are in the process of determining if we need to contract for this work or if we can complete it ourselves with volunteer labor.

Ongoing activities:

- manually measure and record seepage from Waupaca #2 dam on a monthly basis. **Thank you Mike Wilder!**
- mechanically measure and record McFadden Creek flows during the irrigation season and report results annually to the state. **Thank you Toby Dunn!**
- semi-annually collect, record, and report to the state water meter readings for all lot owners. **Thank you all lot owners!**

Planned activities:

- create a permanent staff gauge by attaching marked angle iron to the drain valve pipe shaft in Waupaca #2. The water level in the south end of the reservoir needs to be lowered to accomplish this task.
- remove sump pump and fill sump hole below the dam.
- remove vegetation and small trees from dam area.

Waupaca Reservoir Fund Expenditures:

- US Forest service annual permit fee (ongoing annual fee)	140.27
- flume	500.00
- flume fittings	211.46
- stage discharge recorder (measuring device)	1719.00
- enclosure, batteries, parts	99.32
- supplemental water purchase	-120.00
- reimbursement from MVR & Palpant	<u>(2156.22)</u>

Net Total: \$ 633.83

Of Note:

Our measured water usage for Fall 2015 to Fall 2016 was 1,020,445 gallons or 3.13 acre-feet. Without lot owners reporting their actual usage we would be charged with using the maximum allowable annual amount per household of 127,750 gallons, or 4,982,250 gallons . . . nearly five times as much as we actually used. **Thank you to all lot owners for semi-annually reporting your water meter readings!**

Phyllis Ary has recently resigned from the Waupaca Dam Committee after many years of service to MLME. **Thank you Phyllis Ary!** If you are interested in serving on the dam committee please let any board member know.

Respectfully submitted,

Waupaca Dam Committee
Members: Dan Daly, Susan Dunn, John O'Brien

NEW BUSINESS

FY2016-2017 Financial Statement

John O'Brien gave a summary of the 2016-2017 Financial Statement. See below. Discussion items were as follows:

Leonard S. wanted to confirm that the Waupaca Fund is only for Waupaca as the reserves are growing. It was pointed out that the foot bridge at the northwest corner of Waupaca was floating around the reservoir. Kris G. pulled it back and David H. offered to work with Kris to rebuild it.

Several concerns regarding Bugling Bull were discussed. Leonard S. inquired if Bugling Bull residents are paying their annual dues of \$300. John O. said "No." Dan D. spoke with Mark Campbell who informed the residents about payment of dues and we have received payment of \$200 per lot. Because an easement was granted by Franklin, Bugling Bull residents are not required to pay for the use of the road. As a result, MLMEPOA is limited as to what we can do. We will continue to bill them, though we have no legal standing to force payment.

Concerns were voiced about the unauthorized use of the dumpsters. Rebecca H., whose home overlooks the dumpsters, said she has observed Bugling Bull owners as well as outside individuals driving into MLME dumping their trash in our dumpsters. She asked if we have a plan to address this unauthorized dumping because of the cost incurred by MLMEPOA. Discussion segued into the items that are allowable, both recycle and trash, in our dumpsters. Hugh E. offered to put an "allowable items" list on both the trash and recycle dumpsters. John O. stated that only household trash should be put in the trash dumpsters and that as property owners we need to use the trash and recycling service responsibly.

FY2016-2017 Financial Statement

2016-2017 Budget			Actual for 2016-17	
Description	Income & reserve	Expenses	Income	Expenses
Waupaca Reservoir				
Income				
On-Going:				
Annual Dues - from operating Fund @ \$40/lot	\$2,040.00		\$2,040.00	
Reimbursement for Flume and Recorder			\$2,062.71	
Ongoing compliance & maintenance reserve	\$4,391.09			
Total Income & Reserves	\$6,431.09		\$4,102.71	
Expenses:				
On-Going:				
Legal		\$500.00		
Water purchase		\$100.00		116.64
Forest Service annual fee		\$145.00		
One-Time:				
Flume, recorder, staff gauge		\$3,500.00		2529.78
Forest Service permit fee		\$0.00		
Total Expenses		\$4,245.00		2646.42
Surplus (Deficit)	\$2,186.09		\$5,847.38	
MLME POA Budget				
Income				
On-Going:				
Annual Fees 51@ \$506	\$25,806.00		\$25,596.00	
Bugling Bull Fees 4@ \$300	\$1,200.00		\$798.00	
Palpan/Wise/Osowski Fees 3@ \$300	\$900.00		\$831.00	
Interest	\$20.00		\$32.28	
Reserves	\$18,429.36			
Total Income & Reserves	\$46,355.36		\$27,217.28	
Expenses:				
On-Going:				
Insurance - General Liability and D&O		\$935.00		\$925.00
Legal		\$1,500.00		
Miscellaneous		\$150.00		\$33.72
Office		\$700.00		\$334.86
Fish Stocking & Recreation		\$1,000.00		\$600.00
Trash		\$4,776.00		\$4,272.75
Roads - Maintenance & Grading		\$11,000.00		\$12,608.57
Roads - Snow Plowing		\$6,400.00		\$4,959.50
One-Time:				
None				
Total Expenses		\$26,461.00		\$23,734.40
Surplus (Deficit)	\$19,894.36		\$21,912.24	

FY2017-2018 Draft Budget

John O. reviewed the Draft Budget. See below. Discussion items were as follows:

He advised that the new ranch owners were given 3 options for membership and the Board has not yet received an answer from them.

Hugh E. inquired about problems with rodents at Waupaca. John stated that the issues identified as a result of the Waupaca dam inspection are:

1. The pipe is 30% crushed as a result of vegetation.
2. There is seepage on the main dam.
3. Pipe in strip of earth between north and south bodies of water.

Regarding the 2017-2018 Draft Budget, John O. said that we plan on spending less than our income this budget year.

Leonard S. expressed his concern about the liability of MLMEPOA and presented his list of potential areas of vulnerability for the property owners. Because of these risks, he would like the liability insurance increased to \$4,000,000. John O. explained that our general liability is at \$3,000,000 with per occurrence coverage at \$2,000,000. He spoke with the State Farm agent who felt that individual property owners' risk is low. If we increased our general liability by \$1,000,000, property owners would pay \$12 more per year in dues to cover the cost. Hugh E. asked about our signage as protection if we were sued. John advised that our signage is helpful and clearly indicates that travelers within MLME are assuming all risk. Dan D. spoke about comparative negligence and percentage of liability. Dan shared that the Board members are comfortable with our current coverage but he is happy to buy more insurance. Betty D. asked if there have ever been any lawsuits in the history of MLME. No one was aware of any. Milo J. moved to accept the budget as it stands. Rebecca H. seconded. Leonard opposed the current budget.

2017-2018 Draft Budget		
Description	Income & reserves	Expenses
Waupaca Reservoir		
Income		
On-Going:		
Annual Dues - from operating Fund 50 @ \$40/ lot	\$2,000.00	
Ongoing compliance & maintenance reserve plug	\$4,500.00	
Total Income & Reserves	\$6,500.00	
Expenses:		
On-Going:		
Flood maintenance		\$50.00
Legal		\$500.00
Water purchase		\$120.00
Forest Service annual fee		\$145.00
One-Time:		
Dam Maintenance		\$2,000.00

Total Expenses		\$2,815.00
Surplus (Deficit)	\$3,685.00	
MLME POA Budget		
Income		
On-Going:		
Annual Fees 50@\$500	\$25,300.00	
Bugling Bull Fees 4@\$200	\$800.00	
Palpat/Wise/Osowski/MVR Fees 4@\$300	\$1,200.00	
Interest	\$20.00	
Reserves plugnumber	\$21,000.00	
Total Income & Reserves	\$48,320.00	
Expenses:		
On-Going:		
Insurance - General Liability and D&O		\$935.00
Legal		\$1,500.00
Miscellaneous		\$150.00
Office		\$700.00
Fish Stocking & Recreation		\$1,000.00
Trash		\$4,776.00
Roads - Maintenance & Grading		\$11,000.00
Roads - Snow Plowing		\$6,400.00
One-Time:		
None		
Total Expenses		\$28,461.00
Surplus (Deficit)	\$21,859.00	

Election of New Board Members

John O'Brien is the incumbent running for a second term. Susan Dunn volunteered to fill the open position. Leonard S. motioned to approve the two nominees and Rebecca H. seconded.

Date for 2018 Annual Meeting

July 21, 2018 was offered as the date for the next annual meeting. Hugh E. motioned to approve and Dan D. seconded.

Items from Membership

Susan D. revisited the issue of dumpster use by non-MLME property owners. She offered that if we are paying extra for non-allowable items perhaps it is cheaper to issue keys to property owners or install surveillance cameras. The Board felt it was worth further investigation. Rob W. expressed his concern about us becoming the dumpster police. Hugh E. will call to verify what is allowable for both trash and recycle. Betty D. asked that the list be emailed to members.

The meeting adjourned at 3:40.

Meadow Lakes Mountain Estates Property Owners Association

Building Committee
2017-2018 Annual Report
July 21, 2018

This was a quite year in terms of building activities.

- Sam Cox/Jean Goodwin (Lot 21) – Exterior stucco
- Wade & Ida Heinson (Lot 37) – Exterior siding

Respectfully submitted,

Susan Dunn, Chair
Jamie Page, Member
Rebecca Hitchcock, Member
Alex O'Brien, Alternate Member
Kris Galyean, Alternate Member

2017-18 Road Report

Roadwork: This year most roads were graded and road base installed on selected areas of Mountain View Dr.

We will continue to improve Mountain View Drive with the installation of base material and grading.

Snow removal: We had a mild winter and no late spring snows.

Roadwork – 5 year plan: Our plan for the roads over the next five years is to improve the main access to the community from Hwy. 24 up Mountain View to the intersection of Lakeview Dr. We will shape and grade the main access road, install gravel where necessary and road base. This will improve access to all the side roads that will be maintained during this period of time using grading only.

2018-2019 Proposed Budget

Description	17-18 Budget	18-19 Budget Proposed
Waupaca Reservoir		
Income		
On-Going:		
Annual Dues - from operating Fund 50 @ \$40/ lot		
Ongoing compliance & maintenance reserve		
Total Income & Reserves		
Expenses:		
On-Going:		
Flume maintenance	\$50.00	\$50.00
Legal	\$500.00	\$500.00
Water purchase	\$120.00	\$120.00
Forest Service annual fee	\$145.00	\$145.00
One-Time:		
Dam Maintenance	\$2,000.00	\$2,000.00
Total Expenses	\$2,815.00	\$2,815.00
Surplus (Deficit)		
MLME POA Budget		
Income		
On-Going:		
Annual Fees 50@\$506		
Bugling Bull Fees 4@\$300		
Palpart/Wise/Osowski/MVR Fees 4@\$300		
Interest		
Reserves		
Total Income & Reserves		
Expenses:		
On-Going:		
Insurance - General Liability and D&O	\$935.00	\$935.00
Legal	\$1,500.00	\$500.00
Miscellaneous	\$150.00	\$150.00
Office	\$700.00	\$700.00
Fish Stocking & Recreation	\$1,000.00	\$1,000.00
Trash	\$4,776.00	\$5,776.00
Roads - Maintenance & Grading	\$11,000.00	\$11,000.00
Roads - Snow Plowing	\$6,400.00	\$6,400.00
One-Time:		
None		
Total Expenses	\$26,461.00	\$26,461.00
Surplus (Deficit)		