

**MEADOW LAKES MOUNTAIN ESTATES
PROPERTY OWNERS ASSOCIATION**

**Annual Meeting Minutes - Draft
July 30, 2011**

MATERIALS E-MAILED OR MAILED TO MEMBERS:

- Agenda for 2011 annual meeting
- Proxy
- Absentee Ballot for election of two (2) board members
- Minutes from 2010 annual meeting - draft
- 2010-2011 Financial Statement
- 2011-2012 Proposed Budget
- Notice about noxious weeds and picture of the Canada Thistle
- MLMEPOA Map
- MLMEPOA Blue Line Map and Information

CALL TO ORDER: Hugh Eccles called the meeting to order at 1:04 p.m. on Saturday, July 30, 2011, in the community room of the Sangre De Cristo Electric Association.

SIGN-IN SHEET & PROXY COUNT: 18 members present and 8 proxies that constitute a quorum of 26 of the 51 members of MLMEPOA as follows:

- **Owners Present:** MVR-Springer, Lot 3- Rogers, Lot 10-Wimmer, Lot 13-Daly, Lot 15-Eccles, Lot 16-Wilder, Lot 18-Smith, Lot 19-Hogue, Lot 20-Harwell, Lot 24-Shalett & Waters, Lot 27-Dunn, Lot 28-Dethmers, Lot 30-Pankow, Lot 37-Heinson, Lot 41-Johnson, Lot 42 & Lot 44-Van L. Maas, Lot 43-McGinnis
- **Proxies:** Lot 4-Carpenter (Wilder), Lot 5-Wheeler (Eccles), Lot 8-Brammer (Dethmers), Lot 29-Harshberger (Dunn), Lot 32-Hinks (Smith), Lot 34-Bullock (Smith), Lot 39-Craft (McGinnis), Lot 40-Tomanek (Wilder)

RECOGNITIONS:

- Introductions of everyone present
- Phyllis Ary, Vice President, acknowledged for her efforts on the Waupaca Committee and the Board
- Kay Carpenter, Secretary, acknowledged for her contributions
- Paula Wilder, Treasurer, thanked Hugh Eccles for his efforts and service as President
- Introduction of Chris Krocesky, MLMEPOA Management Specialist. Chris explained her role for MLMEPOA and said she also works for Game Trail. She will help with communications between the board and HOA members. She will also study HOA covenants to ensure they comply with Colorado law. There were no additional questions from the members present. Hugh Eccles noted that it is important to stay informed of changes in the laws.

MINUTES OF 2010 ANNUAL MEETING: Hugh Eccles motioned to approve the minutes as published and sent to the membership via e-mail and USPS mail. The motion passed unanimously.

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OLD BUSINESS:

1. **Building Committee Report:** Paula Wilder presented the following report for Mike Wilder, head of the committee:

Summary of Building Committee Activities - Fiscal Year 2010 to 2011

Date: July 2011

<u>Date</u>	<u>Name</u>	<u>Lot</u>	<u>Project</u>	<u>Approved</u>
07/10/10	Hugh & Sue Eccles	15	Landscaping	Yes
07/08/11	Robert & Adell Thompson	14	Change House Color	Yes

*Members: Mike Wilder – Chair
Jamie Page
Rebecca Hitchcock*

Alternate: Milo Johnson

The report was approved by the membership.

2. **Fire Marshall & MLME Community Wildfire Protection Plan (CWPP) Report:** Larry Shalett presented the fire protection/safety update. Larry notified members of free smoke alarms available (sign up sheet) which will be installed along with a property inspection for fire mitigation, as well as reflective green signs for \$8. There was a question from a member about the location of the sign. Larry responded: "Where it can be seen by emergency crews". Larry provided several other handouts related to fire safety and prevention. Dry hydrant update: functional right now, could be a problem in the winter time.
3. **Dumpster Ad Hoc Committee Report:** Hugh read the following report for the Committee:

Dumpster Committee Report July 30, 2011

In late Feb the Ad Hoc Dumpster Committee was under the impression that the Board was working with Chaffee County Waste in regards to the dumpster problem and returned the assignment to the Board. In Late March/early April I had several meetings with Chaffee County Waste with the end result being that they could provide two 3 cu yd dumpsters for our trash, emptied twice a week, and one 2 cu yd dumpster for commingled recycling, emptied as needed. They were supposed to send all the info, including costs, within a few days, but have not done so. The current situation is that, apparently, our 6 cu yd dumpster was damaged when it was serviced on July 19th and Waste Management replaced it with an 8 cu yd dumpster on July 22nd. This is the same dumpster that we previously had, has been reconditioned, and now has metal lids. These lids are stronger than the plastic ones, and possibly could be made more bear resistant with either larger metal rods or welding channels on the lids as were on the 6 cu yd dumpster. This would add weight to the lids, but still lighter than the 6 cu yd dumpster lids. Waste Management says that twice a week dumpster service reduces odor build-up which then attracts bears; however we have decided, with this larger dumpster, to reduced our summer service from twice to once a week. Our current service agreement, with Waste Management, began on Feb 1, 2009 for a period of 36 months and expires Feb 1, 2012. The renewal conditions state that the agreement is

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automatically renewed for a 12 month period unless they are given written notice of termination at least 90 days, but not more than 180 days, prior to the termination date of the existing agreement. We would have to notify them between August 1st of 2011 and November 2nd of 2011 (these dates should be re-checked for accuracy). We would have to have an agreement with another company, which would be Chaffee County Waste, to be sure we have continuing trash pick-up, before we terminate our Waste Management service.

Discussion & Follow-Up: Hugh explained that the new board will need to decide how to proceed with service from either Chaffee Country Waste or Waste Management. A member commented that she likes the newly installed dumpster because it is easier to access. Hugh noted that the new company, Chaffee County Waste, could handle recyclable material as well. Paula said that the cost for the new company was similar to the current cost and the new company would include an additional container for recycling. Chris Krocesky also recommended Angels of Shavano recycling that is used by Game Trail. A member questioned the amount of space we have available, which may not be enough for multiple containers. Another member commented that the doors on the current dumpster are cut roughly and recommended a welded edge to help avoid cuts.

4. **Road Committee Report:** Milo Johnson read the following report from Gerry Venard, Chair of the committee:

**MLMEPOA Road Committee Report
July 30, 2011**

Gerry Venard, Milo Johnson, Hugh Eccles, and Ted Palpant

Road Base Material Added

Road base material was added to alleviate muddy conditions during the spring run-off on Mountain View drive just west of the driveway to the Walker property and on Morrison Creek Circle adjacent the Craft and Winslow properties.

General Road Maintenance

General road surface maintenance was accomplished, including grading, ditch cleaning, rock removal, and re-establishment of ditching to control drainage. Two driveway culverts, one on Mountain View Dr. and Overlook Dr. were by-passed since the culverts were clogged and ineffective. Plans to remove another culvert for reuse on Mountain View Drive were abandoned due to lack of funds. Driveway culverts continue to be a problem due to clogging because of our sandy soil. The Road Committee has identified several in the subdivision, which we think could be removed and replaced with swales, which would be much easier to maintain. Unfortunately we have no policy regarding culverts and whether the homeowners or the association is liable for culvert maintenance.

Resurfacing

Mark Hitchcock gave us permission to take some native soil material from the west side of his property. The material was removed, screened and used on Mountain View Drive between the cattle guards, with excellent results.

Remediation Areas

During the year a mix of topsoil and wild flower seed was added to some small test sections in the remediation areas of last summer.

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Recommendation: *The roads are showing substantial wear and a re-surfacing program needs to be established. This program would designate certain sections of the road system, those most in need of resurfacing, and after general grading has been accomplished a surface material, similar to the material recently used between the cattle guards, if available or class 6 Road Base if not, would be installed to approximately two inches in depth. The road surface would then be watered and compacted. Subsequent moisture in the form of rain or snowmelt and vehicular traffic would serve to work the aggregate into the road surface.*

The report was approved by the membership. Milo noted Gerry's retirement from the Road Committee effective July 31, 2011. Hugh Eccles thanked Gerry and Milo and the Road Committee for their dedication and hard work.

Milo noted that each year the Road Committee develops a list of prioritized projects, and this year, it was presented to the Board to approve the spending for the projects. In August, 2010, the Road Committee developed the following charter that was approved by the Board:

*MLMEPOA Road Committee Charter
August 5, 2010*

The Road Committee is authorized and governed by the Board of Directors of MLME. Its members are appointed by the Board and serve at the Board's pleasure. The Road Committee is chartered with maintaining the roads within the subdivision owned by MLME and certain roads owned by MVR.

The Road Committee is responsible for:

- Snow removal either by the MLME plow truck or by contractors approved by the committee*
- Routine maintenance of road surfaces with the MLME drag*
- Maintenance of the MLME truck and associated equipment*
- Supervision of outside contractors for routine maintenance and road improvements*
- Planning and execution of routine and major roadway improvements*

The Road Committee will be guided in planning major roadway improvements within the platted road right of way of the subdivision by these principles:

- 1. The first priority is drainage of rainwater and snowmelt from roadways constructed primarily of native soil and with some addition of road base material.*
- 2. The second priority is the safety of our residents and the safe passage of emergency vehicles. In this regard, clear forward visibility of other vehicles by drivers and minimum road width allowing two vehicles to safely pass anywhere within the road system, day or night, or during inclement weather are basic requirements.*
- 3. The third priority is the quality of the roads for the purposes of the market value of existing homes which may be sold, the value of homes which may be constructed in the future, and the enjoyment of residents as they travel to and from their homes. Quality is defined by proper drainage, smoothness of the roadway, clear forward visibility, and safe passage toward oncoming vehicles.*

Major roadway improvements within the platted road right of way may involve the removal of trees, smaller vegetation, rocks and boulders, the removal, addition of or reconfiguration of soil and road materials, as well as the installation or removal of culverts.

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When such work is deemed necessary by the Road Committee, it will be first approved by the Board of Directors, properly budgeted, and communicated to property owners whose property borders the affected road right of way. Any major soil disturbance will be reseeded with native grasses.

The roads within MLME are not "improvements" as defined by the Covenants, which concern only constructed improvements on privately owned property within MLME. The Road Committee will coordinate with the Building Committee on matters of driveway/roadway intersections to provide for proper drainage, and the location of new driveways for newly constructed homes.

5. **Waupaca Dam Committee Report:** Rob Wimmer, Committee Chair, provided the following report:

Report of Dam Committee to MLMEPOA Board of Directors (BOD)

Robert Wimmer (Chair), Phyllis Ary (Member, BOD), Susan Dunn, Linda Brammer, Linda Martinelli

By communication October 4, 2010, the BOD provided a list of five questions, in the form of a "charge", to be answered by the newly established Waupaca Dam Committee. Subsequent development of information by the committee through review of records, interview of individuals, and meetings with representatives of state and private organizations has resulted in sufficient reason to believe the committee will not be able to provide answers to certain of those questions until expert/professional advice is provided the BOD, directly, or the committee for its recommendation to the BOD. Following are the "charge" questions requested to be answered by the BOD, and the committee's best effort at a concise answer:

1. *Identify pertinent issues relating to Waupaca Reservoir #2 and dam.*

A. *Is the dam safe?*

Colorado State Water Resources District #2 Dam Safety Engineer concludes no reason for concern at this time. Though neither MVR nor MLMEPOA has been observant of an obligation to remain current and up-to-date with state- required inspections and reviews, there appears to have been only expected seepage (as opposed to "leakage" which concerns dam safety engineers). The state representative requests that we monitor the seepage and measure it but we have run into additional problems with that, due to antagonism between MVR and the neighboring ranch immediately east of the dam, which denies access to us or state representatives in order to place a weir (a piece of equipment needed to measure water flow) to measure the seepage.

B. *Are we fulfilling the obligations of Water Court Decree W-4527 and water trust agreement W-3934?*

We have not, nor has MVR, but we are now trying to correct some failures on both our parts. Before we can satisfy the Colorado Water Resources District #2 officials, we must provide a survey to determine the water holding capacity of Waupaca #2 reservoir. Then we must place a staff gauge in the reservoir to observably show how much water it contains at any given time. One can not be done without the other. There is some disagreement as to whether we then need to place a weir with a water gauge at the place where water is released from Waupaca to flow to the Arkansas, which is a requirement of W-4527, during summer months. Inasmuch as MVR continues to independently control the release of all water from Waupaca through facilities unavailable to us (MLMEPOA),

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that continues as an issue. Another issue is how to assure we are receiving and releasing the .05 cubic feet per second of McFadden creek for its appropriate release to the Arkansas during summer months and additionally, in the form of a (now) 1.3 acre feet of water, (previously, approximately 3.28 acre feet) in a one-time release during the winter months, both part of W-4527 requirements, and neither ever previously complied with.

2. Rank the issues by criticality and recommend a time frame for compliance.

Safety of the dam would clearly be a critical issue if life or property appeared to be an issue. Since that is not the case, the issues involved in the reservoir itself, that is, state requirements of the capacity survey, staff gauge, weir, and management of the water for its appropriate release to the Arkansas become the immediate concern and because each of the issues carry with them a legal question, it seems inevitable the cost of legal and/or water engineering advice must be planned for and sought immediately following the compliance with state requirements.

3. Identify the parties responsible for addressing the issues.

- A. *MLMEPOA BOD and Dam Committee and an attorney or water engineer, all with concurrence of MLMEPOA membership after state required issues are complied with.*
- B. *Mountain View Ranch is a party.*
- C. *The following may be incidental parties to the settlement of these and other issues:*
 - *The Johnson family, owners of the Johnson Ranch, contiguous to Waupaca #2 Dam*
 - *Other owners of well rights authorized and issued to MVR under provisions of W-4527*
 - *These might include: Palpant, Huntze, and Osowski/Pittman*

4. Identify, if possible, the potential cost to address each issue, and who should be responsible for the cost.

The capacity survey, staff gauge and weirs (at the dam, for measuring seepage, and at the water release point for the reservoir, if necessary, will cost approximately \$5000 to \$7000. Legal and/or engineering expenses are unknown. The Dam Committee has requested \$3500 initially, for legal expenses. There might be some payback to the association from the legal expenses if we find we have less dam and reservoir expense, or if it is shared, etc. It appears reasonable to the committee and to state water resource representatives that MVR should, at least, share in the cost of operation and maintenance of the reservoir and dam. Others who hold an interest in the reservoir in the form of "well rights" may also be expected to share a percentage of the expenses. Continued payment to MVR for "water management" for purely MVR interests seems illogical. Actually, one of the most interesting legal questions our attorney must help us with is "Whose water is it in Waupaca #2 Reservoir?" Even if the answer is that most of it is MVR's (which is contrary to what state water resources personnel, and district water conservancy personnel have said) there remains the question "what is MVR's water doing on MLMEPOA's property?" MVR has the means of by-passing Waupaca #2, if it doesn't wish to compensate the association but it would not be a convenient solution. There also remains a question as to who will manage our reservoir water if MVR opts out. Sometimes, the committee has more questions than answers.

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5. *Identify potential funding sources for the costs we face in dealing with Waupaca #2.*

Frankly, the Dam Committee never got to the point of seeking funds other than from the BOD. The obvious sources: bank loans, annual dues increases, and special assessments are well known to the BOD and equally abhorrent. The committee could suggest no grant likelihood.

Discussion & Follow-Up: Rob noted an attorney can be used as a representative in front of water commission to address questions such as “Is the dam safe enough?” The report concluded that dam is safe at this time, although MLMEPOA and MVR have not kept up to date with regular inspections and that seepage is normal at this time. The State requested we monitor seepage although we have had difficulty getting access to property to the Johnson ranch to do this monitoring. MLMEPOA needs to be able to monitor the amount of water flow to tell if the flow is getting worse and a cause for concern. The State has given MLMEPOA information that is likely accurate but officials have told us different things.

For the last 33 years, the State has not had an official release of water from Waupaca #2 as required by Decree 4527 that requires MLME to annually release into the Arkansas River the amount of water that we are assumed to use on an annual basis from our wells. Waupaca was formed in 1977 to hold water and allow MLME owners to use in-house wells. Ninety-six wells were permitted. Each well was allotted 127,500 gallons per year so we need proper amount of water maintained in Waupaca #2. When Franklin Springer originally applied for the well permits, he was required to configure Waupaca #2 Reservoir for 96 wells. The State concluded the reservoir must hold 14 acre feet of water. Rob noted that the reservoir has not been used for purposes other than fishing, recreation, and downstream ranch use. MVR has deeded the property underneath the dam to MLMEPOA. Rob thinks we have failed to understand our agreements and obligations under Colorado water court decree. Franklin Springer said he has been ready for 28 years for a call that has never come to release the required 3.8 acre feet of water into the Arkansas River. Franklin said that he releases far more than that each year as part of normal operation. Rob noted that the six winter months are potentially an issue. Rob thinks we have never established with the State that we have done a release and there has not been an actual review from the State. Franklin has stored records that he does a winter release for 3.28 acre feet of water into the Arkansas River. Hugh noted that in a December 2009 meeting with State Water Commissioners. We requested that 3.28 acre feet of water be released from our SECWCD account, which was agreed. In 2010, we also requested a release from our SECWCD account.

Hugh mentioned a meeting with the Dam Committee and State water officials in Pueblo that included Phyllis Ary, Susan Dunn, and Hugh Eccles. Hugh has maintained records of MLMEPOA water usage reports for several previous years, including 2007, 2008, 2009, and 2010. Rob noted that MVR/Franklin Springer still has rights for 36 well permits that are not currently used. Approximately six more have been given to adjacent property owners. Rob noted that it seems reasonable that if MLMEPOA, as Trustees, is responsible for 96 wells, that costs should be shared with other well permit owners, including the assessment for this year for \$6000 for a Waupaca Reservoir capacity survey and staff gauge. Rob would like clarification about which party is responsible for paying these costs. Franklin said it should be a simple process to shut off water and

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then measure the flow when it is turned back on. Franklin thought it could be a half-day job to do the release and measurement.

Hugh stated that MLMEPOA has bought additional water for many years from the Southeastern Colorado Water Conservancy District, and MLMEPOA requested the 2009 release from this account. Apparently, the State has never taken the water from our account, so we are not sure where we stand legally in this situation. Rob reiterated that we need to comply with the law and that in the past, we have not been fully compliant. Rob reviewed the water running through Waupaca #2 and arranged for MLMEPOA water to go through this system but MLMEPOA has never measured the amounts. Rob mentioned that the State claims all the water in Waupaca #2 belongs to MLMEPOA; however, Hugh thinks the water belongs to MVR and the reservoir is used for storage so that the water is ready to release. Franklin reiterated it is a matter of measurement for State records, and that it is up to the State to call for the water release. Rob asked when MLMEPOA homeowners became obligated under the court decree for water storage and release and maintenance of the Waupaca dam. Franklin said that State water officials contacted him about any Waupaca issues until about four years ago when the Colorado/Arkansas lawsuit was settled and Bill Ritchie hired.

Hugh said that MLMEPOA is responsible for letting water out of Waupaca and over the spillway and for the annual release of required water into the Arkansas River.

Rob asked members to trust board/dam committee to deal with these issues and costs as needed.

A member mentioned that water is dealt with as personal property and every drop is measured. The reason for Waupaca #2 is to maintain the annual amount of water deemed used under the MLMEPOA augmentation plan for well permits. The water court decree lists MLMEPOA as trustee of the well permits. The amount of water flowing at 0.05 cu feet per second will replace 10% of MLMEPOA's consumptive use. The State requires an annual reading of each MLMEPOA well to show that we aren't consuming more than our allotment of 127,000 gallons per year. The member said MLMEPOA has used less than 10% of its total allotment in previous years, and mentioned that Waupaca Reservoir is an earthen dam and designed to leak a little. The toe drain downstream can be used to gauge the leakage, but it doesn't account for all leakage because more water is coming out below the toe drain. Hugh noted that there is a correlation with amount coming from toe drain vs. amount of water in reservoir.

Rob asked for comments and questions from the members:

- Franklin said he had engineers check the dam two years ago and they found no problems. The leakage is coming from the south side of the dam and the original engineer didn't require the contractor dig deep enough to check the leak because it is coming from underneath the dam. The original engineer noticed that most of the leakage is coming from the south side of the dam, and it is directly related to pressure in dam. Franklin reiterated the dam is safe and that it was overbuilt by 10 feet. The bulge was there originally.
- A member questioned spending the amount estimated for the capacity survey and staff gauge. Hugh said the State is requiring MLMEPOA to do the survey and install the gauge. The cost should be assessed to all those holding well

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permits in addition to the 50 lots in MLME, which are Palpants (3), Osowsky/Pittman (6), and the 2+ acres adjacent to Lot 50 (1) for a total of 96 wells.

- A member asked if the cost is a one-time additional cost. Rob noted there could be additional costs depending on the outcome of the survey and measurement. Franklin mentioned he had used 25 ton of bentonite in an effort to stop or lessen the much seepage.
- Franklin Springer made an announcement that MVR is up for sale and that he would like to sell to someone who would maintain the ranch as it is. He has had offers from developers but thinks it would be detrimental to MLMEPOA quality of life to add additional homes or development. Franklin said he wanted to make the membership aware of the potential sale to help generate interest in finding a suitable new owner. The ranch includes hydroelectric plants, and Franklin claims MVR produces 80% of the clean energy in Chaffee County according to Sangre De Cristo. Hugh asked about water rights changes with a conservation easement. Franklin said that would depend on different types of agreements, and he would like to see the water kept in the valley as opposed to selling rights to outside parties. An appraisal was done last year that listed MVR at \$2.5-\$3 million with about 175 acres plus water rights. Of note, the Hill Ranch south of Buena Vista sold its water rights to Pueblo West. Franklin plans to stay on for two-three years to help with water management education for the next owner. MVR could make an excellent corporate retreat. A member wondered about a new owner's ability to develop additional subdivision. Hugh asked about MVR's income generating ability, and Franklin said it wouldn't be sufficient for a return on the investment. Franklin then left the meeting as he had another engagement.
- A member asked about the MVR recreation agreement and the \$1,500 cap on MVR expenses. Hugh explained that the Board is currently reviewing the agreement for 2011-12, and is not sure how Waupaca-related expenses should be included in the agreement. The new board will need to approve the MVR/MLMEPOA operating agreement and provisions.
- A member asked about the sale of the ranch and whether there is any protection against major changes since nothing was mentioned regarding this. The discussion noted that MLMEPOA might have some legal rights with our roads and with historical precedence, that MLMEPOA does not own all roads and that MVR owns the road in front of the ranch house, and that a buyer would most likely be interested in water first and foremost.

Hugh thanked the Waupaca Dam Committee members for their contributions and efforts. Hugh said that MLMEPOA might have another expense for a 90 foot section of 24" corrugated pipe.

6. **Summary of Activities:** Hugh highlighted the following:
- Kay and Paula finished repainting the road signs last summer and Milo remade and installed the broken South Lake Road sign in the spring.
 - The Road Committee Charter was approved Septembers 1st and sent to the membership in April.
 - The Waupaca Dam Committee was established in October.

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- Winter and spring, Milo Johnson and Gerry Venard put up and took down the snow drift fences along the South end of Early Dawn Lake to protect the first part of Morrison Creek Circle and in Franklin's north pasture to protect Mountain View Drive between the cattle guards.
- At various times during the year, west side Waupaca #2 trail improvements were made by Leonard Smith.
- In March, our Newsletter Editor, Melissa Smith, completed and sent out our Winter Newsletter.
- Fish were restocked late in June by Riverbend Trout Farm of Monte Vista, CO as follows:
 - Waupaca Reservoir #2: 72+ 10-12" Rainbow Trout and 36+ 8-10" Browns
 - Early Dawn Lake: 144+ 10-12" Rainbow Trout and 36+ 8-10" Browns
- Spring, summer, and early fall, Mike Wilder measured the outflow from the toe drain at the base of the main dam of Waupaca #2 Reservoir.
- During the annual road maintenance, the Hitchcock's donated some road base material which has saved the Association some valuable funds.
- Annual road maintenance was completed by Marv Cordova in early July 2011.
- Around July 19th, beaver damage was noted along the west bank of Waupaca #2. It was a small beaver and is no longer a problem.
- On July 22nd, Waste Management replaced the damaged six cubic yard dumpster with an eight cubic yard dumpster.

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NEW BUSINESS:

1. **Financial Report for 2010-2011:** Paula Wilder, Treasurer, presented the following report:

2010-2011 Financial Statement

	Annual Meeting Budget	YTD Actual 6-15-11	Anticipated Other	Anticipated 6-30-11	Over (Under) Budget
Income					
On-Going Resources:					
Annual Fees	20,757.00	20,757.00		20,757.00	-
Bugling Bull Fees	440.00	440.00		440.00	-
Palpant/Wise Fees	462.00	462.00		462.00	-
Interest	20.00	14.88		14.88	(5.12)
Subtotal	21,679.00	21,673.88	-	21,673.88	(5.12)
One-Time Resources:					
Special Assessment	-	-		-	-
Surplus Carry-Over	4,047.95	4,047.95		4,047.95	-
Total Income	25,726.95	25,721.83	-	25,721.83	(5.12)
Expenses					
Insurance	2,500.00	2,923.00		2,923.00	423.00
Legal	500.00	-		-	(500.00)
Miscellaneous	100.00	38.75		38.75	(61.25)
Office	300.00	464.31		464.31	164.31
Rec, Land, Water	3,500.00	977.13	2,900.00	3,877.13	377.13 *
Road	7,000.00	7,853.30		7,853.30	853.30
Snow	1,500.00	1,412.80		1,412.80	(87.20)
Tax	20.00	18.67		18.67	(1.33)
Trash	2,800.00	2,866.73	450.00	3,316.73	516.73 **
Truck Maintenance, Fuel	2,900.00	7,402.70		7,402.70	4,502.70 ***
Waupaca Dam Expense	-	85.00		85.00	85.00 ****
Total Expenses	21,120.00	24,042.39	3,350.00	27,392.39	6,272.39
Surplus (Deficit)	4,606.95	1,679.44	(3,350.00)	(1,670.56)	

¹ Member dues \$407.00 x 51 lot owners = \$20,757.00

² Bugling Bull dues \$110.00 x 4 = \$440.00

³ Wise/Palpant dues \$231.00 x 2 = \$462.00

* Anticipated Other is for the Operational Agreement with Mountain View Ranch that has not yet been paid.

** Anticipated Other is for June Trash Expense of approximately \$450.00 that has not yet been paid.

*** Line item is over expended for the new snow plow purchased for truck this past winter.

**** Unknown possible future expense.

The report was approved by the membership.

Discussion & Follow-Up: Milo Johnson explained the additional truck expenses were to replace the plow for the truck because a pin had broken on the plow, and Gerry Venard repaired the pin. A member questioned the over spending for the Roads budget, and Paula explained that the majority of the road budget is sometimes spent at the beginning of the fiscal year to improve roads and to fit into the excavator's schedule.

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Occasionally, if there is unforeseen road expenses in the remainder of the fiscal year, that might cause the road expenses to go over budget. The same member also requested that the new board increase fees for Bugling Bull and Palpant to help to adequately fund road costs.

2. **Proposed Budget for 2011-2012:** Paula Wilder, Treasurer, presented the following budget:

2011-2012 Proposed Budget

	Annual Meeting Proposed Budget	
Income		
On-Going Resources:		
Annual Fees ¹	20,757.00	
Bugling Bull Fees ²	440.00	
Palpant/Wise Fees ³	462.00	
Interest	15.00	
Subtotal	21,674.00	
One-Time Resources:		
Special Assessment	-	See Below
Surplus Carry-Over	-	
Total Income	21,674.00	
Expenses		
Insurance	2,900.00	
Legal	500.00	
Miscellaneous	100.00	
Office	300.00	
Rec, Land, Water	3,254.00	
Road	7,000.00	
Snow	1,500.00	
Tax	20.00	
Trash	3,200.00	
Truck Maintenance, Fuel	2,900.00	
Waupaca Dam Expense	-	See Below
Prior Year Deficit	1,670.56	
Total Expenses	23,344.56	
Surplus (Deficit)	(1,670.56)	

Proposed Special Assessment for Anticipated One-Time Costs:

Waupaca Dam Capacity Survey	3,000.00
Waupaca Dam Staff Gauge	3,000.00
Projected 2010-11 Deficit	1,670.56
Total	7,670.56
Assessment for Each of 51 Lots	150.40
Rounded Up	160.00

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Discussion & Follow-Up: In reviewing the special assessment, a member noted that the Reserve fund created several years ago seems to have been spent, and suggested the following:

- Create two reserve funds: (1) contingency for Waupaca Dam expenses and (2) contingency for general expenses.
- Reduce the 2011-2012 Roads budget by 50% to \$3,500 and put the other \$3,500 in a reserve fund for general expenses.
- \$200 assessment, instead of \$160, to fund a reserve for Waupaca Dam expenses.

A member made a motion to reduce road budget by \$3,500 for 2010-2011 to fund a Reserve for general expenses and to increase the special assessment from \$160 to \$200 per to fund a Reserve for Waupaca Dam expenses. The motion was seconded, but did not pass because Paula Wilder explained that the 2011-12 Roads Budget has already been spend for road grading. The member expressed opposition to spending the road budget so early in the year. Milo Johnson explained the use of Marv Cordova for the last 4-5 years for grading and ditch maintenance, and explained the priority of roadwork. Concern was also expressed about keeping speeds under control.

The following motion was made: Increase the assessment from \$160 to \$200 and apply the increase to fund a Reserve for general expenses and the Waupaca Dam. The motion was seconded, and approved unanimously by the membership. The membership left it to the Board to decide about whether to bill the assessment in one payment or several spread out over the year.

A member suggested that the Waupaca Dam expenses (\$6,000 in the special assessment) should be based on well permits and split among the 96 permits.

3. **Items From Membership:**

- Proposal that unimproved lots should not be required to pay for trash service and asked for a written response from the Board.

Discussion & Follow-Up: The membership did not agree and the consensus was that each lot owner should contribute to trash services.

- Suggestion for better signage for the nature trail. Leonard Smith, who created the signage, agreed. The current sign is temporary to remind people about the trail.
- Expression of appreciation for the efforts of full-time members, and an offer to pay additional dues for his guests.
- Suggestion for a collection for a gift and expression of thanks to the Venards and Gerry's efforts for MLMEPOA. The suggestion was to e-mail the membership and take a collection.
- Comments that non-members may be fishing in our ponds, and a request for information about the process for monitoring this. Hugh Eccles said that, when he has time, he usually chats with people fishing and asks those he doesn't recognize, where they're staying.

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4. **E-Mail Addresses:** Paula Wilder said she has a release form each member can return to allow the Board to give out personal information such as contact information. Chris Krocesky said that it is illegal to exchange this information without homeowner approval, and that MLMEPOA should not have done this in the past. Hugh Eccles said Chris is good to have at MLMEPOA because she knows these types of things. A member agreed and gave consent to hiring Chris with the knowledge that MLMEPOA can terminate her management services contract. Hugh said extending her current contract was an issue to be addressed by the new Board.
5. **Web Site:** The MLMEPOA website address is www.mlmepona.com. The website is available to post documents, newsletters, and general information about MLMEPOA. It will not contain personal member information.
6. **Blue Line:** Hugh Eccles explained the following information and the MLMEPOA map found in **Appendix A:**

Blue Line Info for Annual Meeting.

Members are reminded that only those members whose property lies within the Upper Arkansas Water Conservancy District (UAWCD) Blue Line (see attached PDF Map), and have paid for augmentation to do outside watering, are permitted to do so. As of record, to date, only Lots 1, 35, & 41 have applied and paid the required fee. Anyone within the Blue Line may apply for the extra augmentation. At last report the fee was \$3800.

On the map the Blue Line appears in "Red" running in a north/south line just east of Twin Kopie Road curving onto Twin Kopie just before crossing Mountain View Drive and proceeding south where it eventually crosses Morrison Creek Circle just after cutting across the tip of Lot 35 and then bisecting Lot 37.

*For additional information:
Upper Arkansas Water Conservancy District
339 E. Rainbow Blvd.
Salida, CO 81201
719-539-5425
Linda Foster
Terry Skanga*

7. **Increase Umbrella Insurance:** Hugh Eccles explained that MLMEPOA currently has a \$1 million umbrella insurance policy to cover general liability, the truck, Board members and committee members. A member questioned whether the coverage was adequate. Hugh said this was an issue for the new Board to consider.

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8. **Canada Thistle**: Hugh Eccles showed the picture below and explained that Canada Thistle is a noxious weed that should be removed from MLMEPOA properties.



9. **CDOT**: Hugh reported that on June 30th, at a meeting with Rick Routh of CDOT and two local CDOT men, two safety issues were discussed concerning the intersections of CR 371 and Mountain View Drive with Hwy 24, and the poor visibility for passing on Hwy 24 in the section north of the curve between mile markers 203 and 204.

For the first issues, the discussion was about installing intersection warning signs, showing roads entering Hwy 24 from both east and west, to be installed on Hwy 24 at both the north and south approaches to the intersections. The second issue concerned sight distance and no passing markings on the highway. They agreed to the need in the first issue and would take another look regarding the second issue.

Rick encourages our members and guest to always be alert to the possibility of a vehicle still trying to pass them on the left while they attempt to turn left, and the option of utilizing the mail box parking area before proceeding to Mountain View Drive.

Update: In August, Rick informed Hugh that the advance warning signs have been ordered for Hwy 24 to warn of the intersections of CR 371 and Mountain View Drive with Hwy 24, but upon further evaluation, the sight distance at MM 203 did not warrant further pavement marking as a "No Passing" zone.

10. **Introduction of Candidates for Directors**: Hugh Eccles introduced the candidates running for two positions on the MLMEPOA Board of Directors:
- Dan Daly
 - Toby Dunn
 - Phyllis Ary

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11. **Election of Directors:** There are two (2) vacancies on the Board, each for a three year term beginning August 1, 2011. Per MLMEPOA bylaws and the ballot, a candidate must receive a majority of votes from those voting for election to the Board. The following are the results of the election:

A total of 31 votes were cast, including members present, proxies, and mail-in ballots. A majority vote required for election to the board is therefore 16 votes. The votes received by each candidate were:

- 27 votes: Phyllis Ary (Incumbent)
- 17 votes: Dan Daly
- 20 votes: Toby Dunn

The candidates elected to the board for a three-year term beginning August 1, 2011 are:

- Phyllis Ary and Toby Dunn

12. **Date for 2012 Annual Meeting:** The meeting is scheduled for Saturday, July 28, 2012, depending on the availability of the community room of the Sangre de Cristo Electric Association.

13. **Picnic:** Judy Pankow is hosting the picnic at her house after the meeting.

ADJOURNMENT: Hugh adjourned the meeting at 4:55 p.m., and expressed thanks to all the members while he was President, especially his wife and Milo Johnson and other past presidents. He offered any transition for the new Board that it needed.

New Board Organizational Meeting: The new Board held its organizational meeting via e-mail and elected the following officers:

- President: Toby Dunn
- Vice-President: Phyllis Ary
- Secretary: Kay Carpenter
- Treasurer: Paula Wilder
- Member-at-Large: Larry Shalett

Kay Carpenter

MLMEPOA Secretary
(Tuesday, September 6, 2011)