

The Committee currently has no improvement application pending. We anticipate receiving an application for construction of a new home on Lot 45. However, construction won't begin until after the contracted sale of the lot closes in January 2016.

Respectfully submitted,

Dan Daly, Chair

Jamie Page, Member

Rebecca Hitchcock, Member

Alex O'Brien, Alternate Member

Kris Galyean, Alternate Member

ROADS John O'Brien presented the Road report, below.

This Spring, material to improve Mountain View Drive up the hairpin was brought in & that section was completed. Next year, we will continue to reshape the primary roads. Seepage along Mountain View Drive was a concern this summer. There is a MVR irrigation pipe under the road & Morrison Creek runoff, we believe, is causing the problem. We will monitor that situation & try to work with Franklin. Hopefully, it will dry up & not be an issue over the winter.

Snow removal this past year was within budget. Toby asked for the piles of snow to be pushed back farther off the roads. We will increase the road budget for next year.

Judy Pankow reminded members to pitch rocks off the road when taking walks & requested that the road edges be cleaned up where there is high brush. Lucy van Maas warned everyone to beware of construction nails falling out of worker trucks.

Meadow Lakes Mountain Estates POA

2014-15 Road Report

Roadwork: This season the focus was on reshaping the roads in our community, by crowning the roads and cleaning the ditches. This effort was made to get the road system to drain and reduce the saturation of the road structure after a rain and the spring thaw. We also installed base material between the cattle guards. The road section between the cattle guard at the red house and the hair pin turn on Mountain View will be regraded and base material installed this summer. The cost of this work was within budget.

Snow removal: After a relatively mild winter we were surprised with some late spring snow. The total snow removal costs will be a few hundred dollars below 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 Overlook 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 DAM COMMITTEE ANNUAL REPORT The following report was presented by Dan Daly. Our focus has been on complying with State water agencies, which includes:
1) installing a measuring device (i.e. flume & data collector) above McFadden Creek, west of Palpant's meadow. We have applied for a US Forest service permit to install this device. We will bill Palpants & MVR for their portion of the device cost after installation has been completed, as they are required to report their percentage of McFadden flow to the State.

2) Installing a staff gauge in Waupaca reservoir. Our last staff gauge failed due to ice, but we plan to weld markers on an existing pipe near the dam so the water level can be read in all weather. This will be completed this fall when the reservoir is low.

We currently measure the flow of McFadden with a bucket and stopwatch. We measure seepage at the dam. We report water meter usage. The dam is inspected every 3 years. It was built in 1978.

Concerns were discussed regarding the potential sale of MVR & how that change may affect our Augmentation plan & water flows at the Ranch. MVR represents the Ranch Corporation which is run by Franklin's family as well as himself. Four parcels: 3 owned by MVR and 1 by Franklin including senior water rights, are for sale for \$2.25 to \$2.35 million. Cox: Will water rights stay with the sale of the property? We believe so, but if they are sold separately, a water attorney may be appropriate. Dan Daly: We own .05 CF of the McFadden Creek flow, as well as Waupaca Reservoir #2. F. Springer has a lease with MLMEPOA to use our reservoir to generate electricity.

Dan: Legal concerns are addressed in the Water report. We do have a better understanding of our water rights. 1) The Water commissioner said that the 1st amount of water out of McFadden Creek is for our MLMEPOA Augmentation plan. 2) He is opposed to MVR bypassing Waupaca #2 reservoir.

It is imperative that lot owners continue to report their usage twice per year. We are obligated to replace 127,500 per well unless we report actual water readings, which is many times less.

A question was raised regarding whose decision was it to deny renewing our access to fishing at Early Dawn & MVR roads. Answer: The cost of liability coverage was equivalent to the fee we paid MVR for those rights, so it became a moot point for MVR.

Meadow Lakes Mountain Estates Property Owners Association

Waupaca Dam Committee 2014-2015 Annual Report - July 25, 2015

Summary of activities completed this year:

August, 2014

-meeting, phone conversations, and correspondence exchange with Boulder water attorney David Bower regarding MLME obligations and rights as Trustees of the water Plan of Augmentation.

-MVR offers to sell MLME water and threatens to bypass Waupaca #2 with all MVR water unless we agree to purchase.

September, 2014

-telephone conference with MVR reps concerning numerous water issues.

October, 2014

-report and record semi-annual water meter readings for all lot owners.

-MLME proposes a Settlement Agreement to MVR to clarify and resolve all outstanding water issues between the parties, including but not limited to, ownership of McFadden and Waupaca #2 water, joint use of Waupaca #2 (recreation, irrigation, and hydro-power generation), Waupaca #2 winter release per Plan of Augmentation, water storage rights in Waupaca #2, running water through Waupaca #2, installation of a water measuring device on McFadden Creek, providing MLME with a dry-up covenant, etc.

-water released from Waupaca #2 to comply with Plan of Augmentation winter release requirement.
November, 2014

-in response to proposed Settlement Agreement MVR disclaims any knowledge of any disagreements with MLME regarding water issues and again offers to sell us water.

December, 2014

-meeting with Water Commissioner Brian Sutton to clarify MLME Plan of Augmentation responsibilities (staff gauge, measuring device on McFadden, water meter readings, winter release).

January, 2015

-application filed with U. S. Forest Service for permit to install a water measuring and recording device on McFadden Creek.

April, 2015

-report and record semi-annual water meter readings for all lot owners.

Ongoing activities:

-manually measure and record seepage from Waupaca #2 dam.

-manually measure and record McFadden Creek Flows.

Planned activities:

-permanently mark the drain valve shaft in Waupaca #2 to serve as a staff gauge for measuring water volume in the reservoir.

-once U. S. Forest Service approval is received, install a water measuring flume and flow recording device in McFadden Creek (approval is anticipated in late fall with installation in Spring or Summer of 2016).

Respectfully submitted,

Waupaca Dam Committee

Members: Dan Daly, Susan Dunn, Phyllis Ary, John O'Brien

FINANCIAL REVIEW John O'Brien gave a summary of the 2014-2015 Financial Statement & the 2015 Proposed Budget, below.

Water fund has \$2915.36.00 surplus. Main Budget: \$15,547.96 in reserves. Checking account bank Balance for the MLMEPOA main checking account: \$32,596.34 as of 7/8/15

Budget discussion: Why purchase water \$107.64? Answer: Stored water is insurance against a dry year when we may not have 1.3 acre feet of water to release (required each fall) to comply with our Augmentation plan.

Hugh asked why did we raise the annual dues when we have \$15,000 in reserve? The board would rather have a reserve on hand than not be able to cover an unexpected emergency expense. It's pro-active, appropriate management. Dan stated that we had overspent revenues for 2 years in a row in the past & we need a reserve for road issues, emergency dam repair or a big snow year, for example.

Questions were raised about the health of the dam & Hugh asked about the "leak". Toby reported that the drainage is about the same & it is being monitored. Milo explained that the state engineer has informed us that the dam is intended to leak and as long as the drainage coming from the dam is clear, there is no worry. Excess water is draining onto the Johnson property from 3 locations, not from our dam.

We'll have over \$42,000 in the bank after 2015 dues are received, but we plan to spend \$27,425. so, our reserve will remain about \$15,000. Our water expenses will roughly equal income so the water budget will have \$355.36 surplus.

Other expenses & discussion: The Board sourced a less expensive liability insurance, so that cost is going down from about \$2000 to about \$900. Hugh asked what the current umbrella policy limits are: \$1,000,000 per occurrence, \$2,000,000 annually with an additional \$1,000,000 umbrella. There is a \$5000 deductible. We have D & O insurance, in addition.

The budget allows for fish stocking & recreation, possibly improvements around Waupaca, such as benches.

Marv Cordova is fair priced for road maintenance & he understands our roads.

John presented an analysis of the average income for the last 8 years, with adjustments for inflation to show that our current dues are approximately what we will need to keep up with expenses, historically.

Toby expressed the confident hope that we won't have to raise dues again for several years. Our dues increase has now enabled our POA to have \$15,000 in reserves. We expected to have about \$10,000, but an additional \$5000 was found in the checking account. This is very prudent in case a huge snow year causes us to dip into reserves.

Milo stated that prior to 2010, the reserve was approximately 1/3 of the annual expenses. The truck was a sinkhole. Our liability is decreased related to Waupaca because we now understand what our needs will be. There needs to be a really good reason to raise dues.

John presented a report entitled Projected Future Costs to help illustrate why a reserve is prudent & necessary. Rob supports the \$40 portion of dues going to Waupaca fund for dam maintenance. Every 10 years, we get a capacity survey at the cost of about \$5000. It was 4 years ago. We don't know the level of silt. Sam Cox suggested we bring in an engineer to assess dam health. We rely on the state engineers because we have required inspections.

Jay Boak expressed his opinion that we should have a larger surplus than \$15,000 to prepare for water-related risks. We should be trying to build the reserve to \$30,000 which is the minimum value of unexpected expenses. After discussion, Jay is pleased we have pinned down our areas of concern & are addressing them.

Milo requests that bank balances be included on the budget. Paula Wilder's excel sheet (2012-2013) listed all line items month by month. He thinks the POA should use this model.

Rob does not want dues to be raised. If there is a need to raise the dues or have a special assessment, please inform members of the reason at the time of billing.

Sam Cox made a motion to accept the 2015-2016 budget. Jay Boak seconded. All approved, none opposed.

2014 - 2015 Financial Statement

2014-2015 Proposed Budget		2014-15 Actual @7/01/15	
Description	Annual Meeting Proposed Budget	Actual Income & Reserve	Actual Spent to Date
Waupaca Reservoir Budget			
Income			
On-Going:			
Annual Dues - Operating Fund	\$2,040.00	\$2,040.00	
One-Time:			
None	-		
Reserves	\$3,513.00	\$3,513.00	
Expenses:			
On-Going:			
Legal			\$2,530.00
Operating Fund	\$2,040.00		
Water purchase SE Co Ent.			107.64
One-Time:			
Reserve	\$3,513.00		
Total	-	\$5,553.00	\$2,637.64
Surplus (Deficit)	-	\$2,915.36	
MLME POA Budget			
Income			
On-Going:			
Annual Fees	\$25,347.00	\$25,094.00	
Bugling Bull Fees	\$600.00	\$650.00	
Palpant/Wise/Osowski Fees	\$813.00	\$542.00	
Interest	\$20.00	\$25.82	
One-Time:			
None	-		
None	-		
None	-		
Reserves		\$14,931.40	
Expenses:			
On-Going:			
Insurance - General Liability	\$2,040.00		\$2,020.00
Legal	\$500.00		
Miscellaneous	\$150.00		\$251.66
Office	\$700.00		\$470.35
Operating Agreement with MVR	-		
Fish Stocking & Water Share Purchase	\$500.00		\$475.60
Trash	\$4,200.00		\$3,783.65
Roads - Maintenance & Grading	\$9,550.00		\$10,027.00
Roads - Snow Plowing	\$6,500.00		\$6,180.00
One-Time:			
Repay MVR for work done	-		\$447
Fund Waupaca Account	-		\$2,040
Prior Year Deficit	-		
Total	-	\$41,243.22	\$25,695.26
Surplus (Deficit)	-	\$15,547.96	

2015-2016 Proposed Budget

Description	Income & reserves	Expenses
Waupaca Reservoir		
Income		
On-Going:		
Annual Dues - from operating Fund @ \$40/ lot	\$2,040.00	
Ongoing compliance & maintenance reserve	\$2,915.36	
Total Income & Reserves	\$4,955.36	
Expenses:		
On-Going:		
Legal		\$500.00
Water purchase		\$100.00
Forest Service annual fee		\$0.00
One-Time:		
Flume, recorder, staff gauge		\$3,500.00
Forest Service permit fee		\$500.00
Total Expenses		\$4,600.00
Surplus (Deficit)	\$355.36	
MLME POA Budget		
Income		
On-Going:		
Annual Fees 51@\$506	\$25,806.00	
Bugling Bull Fees 4@\$199	\$796.00	
Palpant/Wise/Osowski Fees 3@\$271	\$813.00	
Interest	\$20.00	
Reserves	\$15,547.96	
Total Income & Reserves	\$42,982.96	
Expenses:		
On-Going:		
Insurance - General Liability and D&O		\$2,750.00
Legal		\$500.00
Miscellaneous		\$150.00
Office		\$700.00
Fish Stocking & Recreation		\$1,000.00
Trash		\$4,276.00
Roads - Maintenance & Grading		\$11,550.00
Roads - Snow Plowing		\$6,500.00
One-Time:		
None		
Total Expenses		\$27,426.00
Surplus (Deficit)	\$15,556.96	

Year	Income	Income Adjusted for Inflation
2007-8	\$29,024.25	\$33,288.00
2008-9	\$32,275.49	\$35,648.00
2009-10	\$20,781.06	\$23,034.00
2010-11	\$21,673.88	\$23,636.00
2011-12	\$37,919.46	\$40,087.00
2012-13	\$32,603.07	\$33,768.00
2013-14	\$21,464.89	\$21,910.00
2014-15	\$26,311.82	\$26,429.00
Total	\$222,053.92	\$237,800.00
Total less nonmember income @\$1k/yr.	\$214,053.92	\$229,800.00
Average income/yr.	\$26,756.74	\$28,725.00
Average income/yr./51	\$524.64	\$563.24
Current assessment	\$546.00	

Projected future costs & deferred maintenance

	Low	High	
Cattle guard foundation	\$5,000	\$7,500	
Cattle guard silt removal	\$0	\$1,000	
Road improvements, base & culvert work			
Waupaca vegetation removal	\$0	\$2,500	
Waupaca staff gauge	\$500	\$1,000	In 2015-16 budget
Waupaca valve work			
Waupaca silt removal	\$15,000	\$20,000	
Waupaca dam Minor structural work	\$10,000	\$15,000	
Waupaca spillway - fill downstream hole	\$0	\$750	
Flume and data recorder	\$2,000	\$2,500	In 2015-16 budget
Total	\$32,500	\$50,250	

**MEADOW LAKES MOUNTAIN ESTATES PROPERTY OWNERS ASSOCIATION
ANNUAL MEETING JULY 25, 2015 MINUTES – Final Draft**

RECOGNITION: Thanks to neighbors Ted Palpant & his foreman, Jimmy, for helping to clear limbs & providing a chipper after the last wet snow around Mother's day. They worked all day along with Milo Johnson, Larry Shalett, Dan Daly & Kris Galyean.

Judy Pankow thanked the board for their efforts.

SUGGESTIONS: The Walkers should be notified that one of their trees is leaning.

Alex O'Brien has started a Facebook page: **MLME-Community**. She suggested than anyone in the neighborhood join so that we can stay in touch & share news about animal sightings, fun events to do together, if anyone has a need, etc.

Betty Dethmers found an old "who's who" sheet from years ago. It lists a biography of each of the current neighbors & was a nice tool to get to know more about each other.

DATE FOR THE 2016 ANNUAL MEETING Saturday, July 23, 2016 was chosen for the 2015 meeting.

The meeting was adjourned at 3:20 pm.

Molly Heynis (with notes by Linda Brammer)

MLMEPOA Secretary

December 17, 2015