Frequently Asked Questions

Individual Lot Owners - Abandonment of Certain Water Rights

Q-Have we or are we abandoning the right to use surface water to fill our ponds? What rights are we actually giving up? What is in it for us?

No, we will retain all rights to water that will continue to fill our ponds from the irrigation ditches which also deep water the mature Cottonwoods that line the ditches.

In the process of transferring the open space lots from the developer to the association it was necessary to make sure our access to both surface water in the ditches and ground water rights were reviewed and updated with the State Water Board. The filing also is clarifying the records that show that the water once spread on the open space lots has now been assigned for use to the eight ponds scattered throughout our open space. To retain all of the water rights from the ditches, the state asked us to clean up their records and file individual Abandonment of Rights petition to the Wyoming State Water Board for water once used to irrigate the fields where our individual residential lots are now. This water right was lost after 5 years of non-use, and in any case, could not have been assigned to the ponds anyway.

We are also doing some final paperwork before transfer on the two open space irrigation wells that both sprinkle the open space and provide supplemental water to our eight ponds. In summary by getting the lose ends of the abandonment of water rights by each owner for water that used to be spread from the ditches to under our homes and lawns – it allows the HOA to permanently secure the rights we want from the ditches to fill our pounds and from the open space wells – to supplement the ponds and sprinkle the open space.

Outside of the State Water Board, our challenge is to work with upstream users of our ditches through Melody Ranch to get our legal amount of flows throughout the summer sent downstream to us. There is a Water Master who regulates flows for all users according to their legal allocations. Finalizing our various water rights issues with the State will strengthen our position with the local water master who opens and closes the ditch gates upstream, as well as the other users who sometimes forget to send our fair share downstream to us.

So in summary: To get all the items filed that our in the HOA's best interest - the state wants us to clear their books of the already abandoned surface water rights under our individual lots. The developer does not control those lots anymore – thus the need to get these individual abandonment of water rights petitions and file them with the state. You are not giving anything up – you are simply helping the state clear their books – and for the HOA to get the various water rights final paperwork filed that do benefit all owners.

Reminder: If you have not done so already - the Board is asking that you sign and return to us in the self-addressed envelope both the signature page to the petition for organization of Melody Ranch Improvement and Service District <u>and</u> the consent to petition for voluntary abandonment of certain water rights.

Improvement and Service District (ISD)

Q-It appears that we will be paying dues to two organizations. Is there any idea of how those fees will be budgeted and how they will be paid?

The point of forming the ISD is to save homeowners money. Fees will not go up in the near term despite the ISD being form – and future assessments and/or rates will likely be lower than if we did not form the ISD.

Yes, there will eventually be two entities with two boards and there will be your usual homeowners' dues and eventually ISD assessments. The primary purpose of forming an ISD is that it allows for access to state grants and/or low interest loans for any future infrastructure replacement and/or improvement needs, which greatly reduces the expense to the homeowners in the future. Budgeting and payment processes are yet to be determined by the soon to be elected ISD Board. In any event the experience from other associations that have gone through this process – is it can, and will be done with the same or greater efficiency then we have today.

Q-If by accepting a deed to a Melody Ranch lot, I have already consented to an Improvement and Service District, why do I need to do so again through this petition?

Forming an ISD is a process defined by a Wyoming State Statute (Title 18-Chapter 12). The CC&R's and deed acceptance language is only the first step. The petition for the formation of the ISD is the second step. It requires that we collect signatures and then hold an election. All fees and most of the legal work for forming the ISD are being paid for by the developer – not the HOA.

18-12-105. Commencement by petition (from the statute)

Proceedings for the formation of a district shall be commenced by filing a petition addressed to the commissioners of the county in which the land proposed to be included in the district is situated. The petition shall be accompanied by a filing fee of two hundred dollars (\$200.00).

Q-Will the dues increase due to the ISD?

The dues may need to be increased at some time in the future, but it will not be related to the ISD. The ISD will be a separate entity encompassing all of Melody Ranch serving specifically the capital expenditures for the infrastructure – roads, sewer conveyance system and culinary wells and distribution systems. Because of access to both state and federal grants along with access to special low interest loans – any future major infrastructure needs will be lower because of these various subsidies which only ISD's have access to. In the short term, in aggregate, we do not expect any increase in either fees or water use charge rates.

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