

**FALLS CREEK RANCH – BOARD MEETING MINUTES
for January 25, 2024**

Call to Order and Roll Call: 7:02 PM

Board Members Present: Mark Smith, James Trammell, Paulette Church, Robin Lucie, Charlie Simons

Lot Owners Present: Gale Marinelli, Steve Dowler, Mary Ann and Barry Bryant, Tom Jones

Approval/Changes to the Agenda: None made

Board Member Survey for Conflicts of Interest with Agenda Items: None noted

Open Period Comments from Residents on Issues Not on the Agenda – Time limit 3 minutes per person: None made.

Approval of Previous Minutes – November 30, 2023, Board Meeting: Approved without objections.

Treasurer’s Report – Robin

Cash balances at Bank of the San Juans (BSJ) as of end of day on January 25, 2024, were \$138,696 Operating, \$193,160 Capital Reserve, and \$1,000 Grants, for a total of \$332,856. The balance of accounts receivable of HOA assessments to be billed Feb 1 is ~\$85,000. Our balances at Bank of the San Juans earn just .1%.

Robin proposed that we invest \$50,000 from the Capital Reserve account in a 9-month CD at Vectra Bank that is currently paying an annual interest rate of 5.0%. We have an existing relationship with Vectra through our Ranch Visa cards and the commercial banker has been very helpful.

A motion was made and seconded to approve depositing \$50,000 from our Capital Reserve account in a CD with Vectra Bank and allowing Board President Paulette Church and Board Treasurer Robin Lucie to administer the investment. The motion was unanimously approved by the Board. Upon presenting Vectra with evidence of approval via the Board meeting minutes, the funds can be invested. The preferred option currently offered by the bank is a 9-month CD earning 5.0% interest.

Robin reported that she has identified a potential process with BSJ that would allow residents to pay water bills electronically via ACH. She will work on proof of concept and testing in the coming weeks. Please continue to pay water bills by check until we can roll-out an electronic payment option.

Note to residents: Please mark the email addresses listed below as safe in your email account so that you will receive the HOA assessment invoices and your monthly water billings. Different email accounts have different terminology and keystrokes to do this, but generally you can enter these as a contact and mark them as a Safe Sender, or Allow Mail From. For water billings, note that you should receive one **every month** even if you don’t have a balance due. If you don’t receive a water bill email around the 11th-14th of the month, please look in your spam, junk or quarantine folder and mark it as a Safe Sender.

Water bills are sent from: fallscreek@quikwaters.com.
HOA assessments are sent from: akaufman@durangocpas.com.

If you've paid the full year HOA dues already for this year you will not receive an email or invoice. The HOA invoices are emailed as .pdf documents and sometimes cannot be opened by the recipient. If that happens, please email Anna back and ask for a new .pdf. That generally fixes the issue.

Committee Reports:

Architectural – There are currently seven projects open.

Beautification –

Common Property –

Dam –

Firewise Ambassador – We received a grant reimbursement of nearly \$75,000 for work done in the 2023 fiscal year. We are preparing additional reimbursement requests for 2 grants for work done in 2023 and 2024. Approximately \$48,000 remains for work to be done this coming spring and summer. The Ranch budget will match much of this work but please turn any mitigation hours you have not submitted for 2023 and 2024 ASAP. The Firewise form is at fallscreekranch.org under Volunteer Activities, and then Forms. Please complete and put in Church newspaper tube. We need 3 to 4 more members of the Firewise Committee to complete our Community Wildfire Protection Plan Update by March. Let Paulette know if you are willing to help.

Front Entrance – No report

Horses – No report

Lake – No report

Post-Wildfire Recovery Report – We plan to watch the water runoff in No Name Canyon and at Dyke Canyon due to the high temperatures and rapid melt in the next couple weeks. SGM believes the work is done by the contractor but we have not signed off on the project.

Roads – Please be aware that our roads are plowed wider than the road surface. This is done because we need room on the edges to push future snow off the roads as winter progresses.

If you keep the driver side of the vehicle near the center of the road you will be fine. However, driving wide to the right may put you in the ditch beyond the edge of the road. There is plenty of evidence that many have landed in the ditches!

Take it slow and stay toward the center. Thank you, and let's be thankful for the snow! The more we get, the safer it will be when fire season arrives!! 😊

Utilities – - Ray Smith has the lead on completing the Lead Service Line Inventory in his role as Operator in Responsible Charge for our water system. This work is to be completed by this

summer for reporting to the State in October 2024. Well #2 was rehabbed in early December when the pump stopped working. Water was provided to the upper system by Well 4R during the downtime. Thanks to Chris Heine and Ray Smith for coordinating this repair work. There is a leak at the horse stables water line that needs to be specifically located and repaired. The water line has been turned off and is operated manually by the horse owners as needed for the horses' water. This repair will have to wait until Spring when the ground is thawed and able to be excavated.

Vittles – Items have been moved into the new storage container.

Water Supply Task Force – The planned new south well drilling is delayed until Spring.

Welcome Committee –

Ranch Manager Liaison Report – November/December

During the past work period tasks performed have been;

During the past work period grabbed bacti samples and delivered to San Juan Basin Health.

Serviced the road grader made ready for snow removal. Serviced Dodge installed the sander and snow plow made ready for snow removal.

The month of December / January yielded about a storm per week. Kern drove the Dodge working tandem with me. The ranch plowed very well and quickly. Kern has gotten very experienced with the Dodge and does an excellent job plowing. The equipment is running well and there are no issues to report.

Mark had made arrangements with 4 Corners Roofing to make repairs to the Ranch House. The job was completed within the second day and the service was very quick and clean.

Purchased tire chains for the backhoe and can now use the unit safer for pushing back cul-de-sac's and plowing other areas like pumphouses. The windshield wiper has stopped working on the back hoe so it needs to be used with this in mind until problem is corrected.

There is still a leak at the corrals. Folks need to turn service on and off at Starwood and FCR Main via the curb stop. Plans to make repair as soon as I can, hopefully March. I thank the horse owners for their patience on this.

The Wolfe residence still has low flow to the house. The main runs uphill from pasture behind Hiel residence (south) to the Wolfe meter. There is an uphill climb from Starwood (North) to the Wolfe meter. It is my belief that an air lock has occurred the said meter is at the high side and main water line may only be about a quarter full at that point. I am going to try isolating and flushing the main to eliminate the possible air trapped. I see no sign of a leak at this time.

A new Lead and Copper rule will go into effect this year. Public water systems will need to confirm no lead service lines within their system. I spoke with Barry B. on the topic even though some service lines may need to be confirmed via excavation, it is my thought that many homes in question could be confirmed by using the crawl space in identifying, documenting, and inventory. There will most likely be a percentage that needs to be done within a given period, the annual monitoring schedule is posted and shows normal sampling for lead and copper in 2024. This is subject to change and is monitored weekly. Classes are available in the upcoming

weeks and there are plans to attend to further get information on the topic. Falls Creek Ranch is currently up to date on sampling and reporting.

Mark S. and I are currently updating operations manual and emergency contact list to provide to the state of Colorado once approved by FCR. This task will be completed by end of February. All parties involved will receive copies.

Upcoming Tasks:

- Repair leak in bathroom sink at ranch house
- Perform main line flushing (weather permitting)
- Address Lead and Copper Rule
- Plow Snow (hopefully)

Old Business

- Mailbox area camera surveillance update – Mark reported that the camera and solar panel are installed and working.
- Short Term Rental limits – Proposed removal of Covenant 9 and revision of Covenant 11. See Covenant 9 and Covenant 11 draft revisions below. – Board vote on recommendation to membership. Decision on Town Hall and voting guidelines. – Extensive discussion went through the proposed changes line by line with Board and Lot owners asking questions and making suggestions. See the revised language below. The Board agreed to take this revision to our attorney for review and to make changes needed to comply with Colorado law. No vote was taken on date for Town Hall but the Board agreed to make Covenant 9 and 11 proposed changes a priority and hold the Town Hall as soon as possible.
- Possible new dark skies solar lights for mailboxes –Paulette reported that Clint had installed one of the dark skies down lights to test it with the camera. It is motion activated and worked well for residents picking up mail. Clint has not indicated if it interferes with the camera images.
- Two governance policies, not Covenants, that need to be updated with language provided by our attorney. Suggested we add "and water billing charges" where Assessments is written. If approved by Board, there is a 30 day wait period for input before implementation. The \$25 late fee suggested by attorney is not currently charged, is questionable, and needs further discussion. Mary Ann and Robin will review the charge to see if it is appropriate for us. They will also review the public health and safety violation amounts to adjust them based on the threat to Falls Creek Ranch and residents.

New Business

- Insurance renewal summary – Mark reported that all of the Falls Creek policies have been renewed with minor changes to the cost of the insurance.
- Vote on a proposal to purchase a CD with some of our reserve funds to generate interest income – Robin – This was done in the Financial Report portion of the meeting.
- Funding request from FCR Emergency Response Team – After a brief discussion, Robin moved to allocate up to \$750 from Board Professional Fees for AED and First Responder training Fees and to create a line item in next year's budget for this expense. Mark seconded the motion and it passed with no objections.
- Need more volunteers to help revise our FCR CWPP plan before April – Paulette – Please contact her if you are willing to help with the revision.

- To help residents with homes on the market, we need 1 or 2 volunteers to do research regarding insurance companies writing policies for new homeowners in our area – Paulette – Gale Marinelli and Steve Dowler agreed to take this on in March of this year.

Announcements

- NEPA input for J-FIRM San Juan National Forest Project moved to Tuesday, January 30th from 6 to 8 pm at Public Lands Center in Durango Tech Center and online – Suggest you carpool or attend via Zoom with online access distributed with the meeting announcement.

Calendar of Required Board Actions:

- Income tax filing preparation and presentation to Board Treasurer
- Insurance renewals for FCR Vice President

Adjournment

The next scheduled Board meeting is set for Thursday, February 29, 2024, at 7 pm via ZOOM.

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Draft Amendments from our attorney to be discussed further and may be revised by Altitude Law Firm.
 Below is the version of Covenant 11 with the edits proposed by Board and Lot owners attending the meeting.

I. Amendments. The Declaration is hereby amended as follows:

- (a) Repeal. Definitions, Section 9 is hereby deleted in its entirety.**
- (b) Repeal and Restatement. Protective Covenants, Section 11 is repealed in its entirety and replaced with the following Section 11:**

11. All buildings to be erected, altered, placed or permitted to remain on any Lot shall be for one residential structure and the necessary out-buildings for the convenience of the lot owner. These may include a garage for not more than three (3) cars, one (1) guest house, and one (1) care-takers structure, all of which shall be considered part of the residential structure. Owners may not rent their residential structure, or any portion thereof, except during periods of the Owners’ absence.

Nothing in this Covenant shall prevent the rental of property by the Owner thereof for residential purposes; however, lease terms shall be for a minimum of thirty days. No Lot shall be rented or occupied for transient, vacation, or hotel purposes, including without limitation, AirBnB, VRBO and other such vacation rental arrangements. Any lease or occupancy agreement for a Lot shall be for the entire Lot and may not allow for separate rentals of the dwelling or associated outbuilding.

An executed copy of the lease agreement, clearly stipulating tenant's privileges and obligations and tenant's knowledge of restrictive covenants and regulations, shall be provided to the Secretary of the Association on or before the date of commencement of such lease. If a Lot is leased or occupied in violation of this section, the Association will be authorized, in addition to

all other available remedies, to levy fines against the resident and/or Owner, which fines may be set forth in the Association's Covenant and Rule Enforcement Policy or in its rules and regulations.

Leases may not be subleased or assigned without prior Board approval. Tenants shall enjoy the privileges of Owners if such privileges are extended to tenants by the Owner; in which case, the Owner may not exercise privileges pertaining to the lot during the term of the lease. Such assignment of privileges shall be specified in said lease agreement. The right to vote remains with the Owner and cannot be assigned or transferred to tenants.

Every Rental Agreement for the lease of a Lot shall name at least one person over the age of 25 who will occupy the Unit. The Board requires a list of all occupants and pets.