

# **FALLS CREEK RANCH ASSOCIATION, INC.**

## **2018 ANNUAL MEETING MINUTES**

### **August 25, 2018**

Pursuant to Notice duly provided to the membership, Association President Jim McCarthy called the Annual Meeting of the Falls Creek Ranch Association (FCRA) to order at 9:05 a.m., August 25, 2018 at the La Plata County Fairgrounds Exhibition Hall.

President McCarthy announced a quorum was present with a total of 78 lot owners represented at the annual meeting, 55 in person and 23 by proxy. Board members present were President, Jim McCarthy; Vice President, Mike McQuinn; Treasurer, Robin Lucie; Secretary, Susan Morton; and At Large, Peggy Yotti. Approximately 85 residents were physically present with about 50 staying on for the potluck lunch later.

### **1. Introductions and Agenda Approval**

President Jim McCarthy welcomed the residents and thanked them for attending. He spoke of the beauty of Falls Creek and the devastation of the 416 fire this year. President McCarthy reminded us all how the fire of 2002 made us realize the forest needed management and that because of that realization and through the work of all the FireWise Ambassadors (Paulette Church, Sara Carver, Judy Winzell and Nancy Peake) and the additional hard work of the residents with special recognition to Phil Boroff, Chris Heine, and Clyde Church. Doug Parmentier also is recognized for his efforts in emergency notifications.

We made it through with no loss of structures. Post-fire, many Falls Creek residents spent a great deal of time and effort to deal with the water and mud mitigation with Paulette Church heading up the current mitigation effort and longer-term planning and Mike McQuinn leading the initial rapid response effort. President McCarthy said we have a new slogan: FCR STRONG!

President McCarthy recognized the loss of Don Southworth, a long-time resident of Falls Creek and mentioned that one rarely saw Don without him asking “isn’t this a beautiful ranch?” President McCarthy said that Don volunteered and helped all the time and that we owe him a debt of gratitude for his work.

President McCarthy recognized the new residents during the past 12 months to include: Will and Jennifer Waddill; Ken and Elise Davis; Bruce and Billie Brannan; Mark and Tammy Smith; Peter Conley and Teresa Rushton; and Mark and Brigid Walsh.

President Jim McCarthy presented the agenda for this Annual Meeting with one amendment; Discussion of “Friends of Falls Creek” to be added to New Business. By motion duly made and seconded, the amended agenda was unanimously approved.

### **2. Approval of Minutes for the 2017 Annual Meeting**

By motion duly made and seconded, the Minutes of the July 15, 2017 FCRA Annual Meeting, distributed with the Notice of this meeting, were unanimously approved.

### **3. Special Presentation – Water Project**

President Jim McCarthy spent some time discussing the water supply project and stated that the first item of business is to report on the progress of obtaining an assured drinking water supply for the future of our Ranch. President McCarthy stated that two years ago, the FCR Utilities Committee conducted a town hall meeting and recommended that we connect to the Animas Water Company (AWC) in the valley via a pipeline that would transmit water up from County Road (CR) 203. Our members approved funding for a preliminary engineering study and preparation of a construction cost estimate.

President McCarthy continued: A favorable pipeline route was selected, and a cost estimate was approximately \$2,000,000. Next, we obtained land easements adjacent to CR 203 so that we could make a connection to the AWC pipeline and build a pumping station. In next year's budget request (2018-2019), we will ask you today to approve \$40,000 for completion of the final engineering design and cost estimate for pipeline construction.

President McCarthy went on to say: Before the meeting today, I sent you an email which indicated that today we would vote to buy water taps from the AWC for \$100,000. A tap is not a physical thing, but an entitlement for access. We initially thought that this was an urgent item, but in a subsequent meeting with the General Manager of the AWC, he indicated that the demand for water taps was reduced because of restrictions on land development in the Animas Valley, so we will not ask for a vote today.

President McCarthy emphasized: While we have been developing the AWC pipeline project, several residents have questioned our assessments of the size of our aquifers that we currently pump from, and our evaluation of alternatives to the AWC project, for example, using water from our lake. To validate our course of action, I asked for an independent assessment from a new resident who happens to be a professional hydro-geologist. He will do his work in parallel with the ongoing work being done for the final design/cost estimate of the pipeline and due diligence of AWC. Therefore, our progress towards a water solution for our future will not slow because of our performing an independent assessment.

President McCarthy wrapped up with: Our timeline for completing the before-mentioned actions is in 2019 after which they will be reviewed in an all-hands meeting with a subsequent formal written vote of the residents to decide about approving the funding and construction of the AWC pipeline or another alternative.

There were several questions from residents including potential cost for AWC pipeline; concerns about the drought projected; impact on cost of our annual assessments; how much longer this work will take before it gets to a vote of residents; whether the alternative water source will be a primary or supplement to our existing system; concern about repairing our existing system; questions about financing. Further questions included: need more clarity about tap fees for AWC; concern about property values and how water impacts those; questions about size of our aquifer; concern about lake water rights; and emphasis/understanding on Colorado water laws.

## 4. Special Presentation – Water/Mud Mitigation

Both Paulette Church and Mike McQuinn addressed water and mud mitigation. Mike pointed out that more people are killed in debris flow as opposed to wildfires, so the Ranch was very concerned about being below a burn area. Mike gave praise to Paulette's efforts and commended neighbors for supporting and helping one another. Mike thanked the volunteers.

Paulette then addressed her team's activities and said she was asked to chair a committee to research options, incorporate best practices, and find funding for our recovery. Many, many volunteers from the Ranch helped.

### Phase 1 Goal: Protect FCR Roads

- FCR hired experienced heavy equipment crew to create flow paths & settling ponds
- Removed plugged culverts and replaced with water crossings
- Mark Smith and Tom Allen, both geo-tech engineers on committee, gave input: contracted with Trautner Geotech for advice on using old creeks and ditches.

### Funding of Phase 1

- Funds not used for weed control in the Common Property budget reallocated
- Funds planned for gravel for the Roads Committee were used to bring in base fill and ¾-gravel
- A new fiscal year began August 1 and we ended Common Property budget July 31 with a surplus
- We began to research possible funding (Marge Rebovich, Judy Winzell, and Paulette)
- Request for Donations
- First request for donations during Phase 1 -- had \$2,200 donated by FCR residents
- High Meadows contributed \$5,000
- FireWise of SW Colorado confirmed up to \$6,000 for professional sawyers to do contour logging on the steep burned areas

### Cost of FCR Phase I

Initial Heavy Equipment Work = \$33,600  
FCR Resident Donations - \$2,200  
Contribution from High Meadows - \$5,000

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Net cost to FCR Budget = \$26,400

### Thanks for Radios!

- Last year the Mock and Clark families gave four professional digital radios to FCR FireWise committee and added two more this year. We can cover the ranch and they have been used extensively during mitigation, floods and recovery.

## USDA's National Resource Conservation Services (NRCS)

- We contacted USDA's NRCS staff after BAER report and asked for assistance with expert advice and financial assistance. They brought out Damage Survey Reports for the Emergency Watershed Protection Program – Recovery. Each property that was believed to be at risk was prepared a detailed plan with suggested materials

- NRCS Report Summary:

21 Properties in FCR received (NRCS) Assessment reports & recommendations

Flows: THREAT TO LIVES AND/OR PROPERTY

Estimated total cost to homeowners = \$810,950

75% Reimbursable = \$608,216

25% Guaranteed by Sponsor = \$202,677

Value of property protected = \$12,216,500

### **Phase 2 Goal: Slow Down Erosion and Flows from Canyons & Hills**

- Researched seeds & methods
- Marge Rebovich, Master Gardener, spent hours calling and researching online
- Colorado State Forest Service advised us
- Tom Allen, FCR resident, knew suppliers
- Sourced Granite Seed, Denver
- Straw bales from Basin Co-Op, Durango
- New call for donations to FCR
- Received contributions from 30 FCR donors
- Used for hourly workers; to purchase seeds, straw wattles, stakes, bales of certified weedfree straw

Total cost Phase 2 = \$18,423

Paid by FCR Donors = \$14,200

Paid by FireWise of SW CO = \$4,403

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Net cost to FCR Budget = \$0

### **Phase 3: We Learn from Flows**

- James Glover, FCR resident & hydro-geologist, has proposed a plan for Phase 3:
  1. Enlarge and fortify the holding pond and diversion at Dyke Canyon and Main.
  2. Create a large holding pond with small berms in Barney's meadow to hold water longer. We will be certain that recovery work doesn't compromise our water lines, roads, and properties and is a good plan for those below us.

## **5. Treasurers Report and 2018-2019 Budget (discussion and vote)**

Treasurer Robin Lucie reported that we are still closing the books for FY18 that ended 7/31/18 with invoices still being accounted for. Cash balances for 7/31/18 were \$57,381 operating,

\$196,402 capital reserve, and \$31,589 grant reserve. These are slightly higher than the year-end forecast in the budget report but there are likely to be outstanding items still to come.

The proposed budget shows no change in HOA dues, with a fee of \$3,000 for an improved lot and \$2,950 for an unimproved lot. Water base fees and usage rates also remain the same. The one change we are making is to budget an allocation of \$40,000 from HOA dues to capital reserve instead of the \$60,000 we've allocated the prior two years. This will strengthen our operating cash balance while still maintaining a healthy capital reserve.

Most of the fire recovery costs were incurred in August so they will be in FY19, along with the contributions we've been so fortunate to receive. We are likely to incur more costs than we receive reimbursements for, so our FY19 budget may end up looking worse than the budget proposed here. But, we can expect to live within our means in all the standard areas listed in our budget and cover any additional costs with our strong cash balances.

Of the other more significant items in the FY19 budget, the Roads budget is increasing \$12,000 to accommodate an increase in the frequency of maintenance, but the equipment budget is reduced \$5,000 due to using a third-party contractor for some of the maintenance.

Dumpsters, insurance, and accounting fees are increasing. We receive notices from Waste Management about once a quarter that our recycling is contaminated. That causes us to pay higher fees and the entire load cannot be recycled, essentially negating all the recycling everyone else tried to do for that week. So please, if you aren't sure, don't recycle. Please be sure you are 100% confident in what you are recycling. If you aren't, then use the trash bins, read the rules that are posted on the bins, and separate things better next time.

For FY19 we need to pay off \$30,000 in notes from the Dam Spillway project, which will be the last of those notes outstanding. In the new fiscal year, we are looking at issuing notes to residents to reimburse our operating account for the \$56,000 spent on the easements in FY18. Initial outline is to issue \$10,000 of 1-year notes, and \$23,000 each of 2-year and 3-year notes. Interest rates are 3%, 3.5% and 4%, and interest is paid in cash annually and are evidenced with Promissory Notes. In the past, these have been a very successful way for the Ranch to cover large expenditures without special assessments or big dues increases. We have never missed an interest or principal payment, and these are completely voluntary, like buying a CD. There is a signup sheet for anyone interested. It is NOT first come first serve, so just express your interest here, and if we are oversubscribed we will randomly draw names.

Besides the Easements, other capital expenses in FY18 included the purchase of a used truck at a very attractive price, completion of the water distribution system engineering study, and purchase of a replacement meter reader. For FY19, the only capital item we currently have budgeted is \$40,000 for a more detailed water pipeline specification analysis.

A couple more points about the fire recovery contributions from residents.

- First, the maintenance and restoration of our common property is consistent with our exempt purpose as a community, so the collection of these funds does not put our tax exempt status at risk, even if they were to exceed our immediate costs.
- Please note that Falls Creek is not a charitable organization, so these are not tax deductible donations, although it is an area we are going to pursue. Your tax advisor

may be able to provide you with advice on whether your fire recovery contributions could be used to increase your basis in your property.

HOA dues invoices will be issued Monday, August 27 based on the budget passed in today's meeting. There will be a one-month grace period, so final due date is Sept 27, but sooner is better as we are incurring fire recovery bills and normal operating expenses. After September 27, late fees will be assessed. For new members not familiar with the payment process, you can pay in 6-month increments, with half due now and half due in Feb.

Call for Budget approval: The annual meeting packet includes the Board's proposed budget for FY19. As per new Colorado Common Interest Ownership Act (CCIOA) rules, we must call for a vote to VETO this budget; NOT APPROVE it. If it is vetoed, we default to using the existing budget approved at the prior annual meeting. If it is not vetoed, we adopt the proposed budget.

Vote result: Budget is not vetoed. In a second vote for internal purposes, the proposed budget was approved.

## **6. Election of New FCR Board Members (5 needed – discussion and vote)**

Susan Morton introduced herself as a new Board Member and Board Secretary and a relatively new resident of Falls Creek. Susan indicated that 2018 has been a tough year for the ranch primarily due to the 416 fire and subsequent flooding/mudslides. In addition, the questions and concerns about future water supplies make it such that the Board determined that we need to make sure we continue to have experienced Board leadership for at least the next year.

Susan explained that our Bylaws allow us to expand our Board up to 7 members and the Board has voted on and posted a resolution in that regard. It is temporary, only for 1 year, and at that time, the Board will shrink back to 5 members.

At this time, the floor was asked to nominate 5 new Board members. David Hardy nominated Peggy Lynch, Jim McCarthy, and Mike McQuinn to continue as Board members for 1 year. Deirdre Heine seconded the motion and all approved. Robin Lucie nominated Mary Ann McCarthy to serve for a 3-year term which was seconded by Deirdre Heine and all approved. Eb Redford nominated Terry Greiner for a 3-year term, the motion was seconded and all approved.

## **7. Architectural Control Committee Report**

Nancy Peake presented the Architectural Control Committee Report.

The Architectural Control Committee (ACC) is charged with reviewing all exterior improvement projects to members' homes. This includes new construction and renovations. This is required by our Covenants and ACC Rules/Regulations. ACC review and approval, and Board approval is required PRIOR to any work or excavation begins. If you're planning any exterior projects or thinking about potential projects, look at our Rules and Regs on the FCR website or just give one of our members a call. We do our best to respond quickly so we don't hold up any projects.

We currently have 7 active projects and 3 open but inactive projects. Our current members are Mary Ann Bryant and Nancy Peake as Co-Chairs, Jonni Greiner, Linda Johnson, Gale Marinelli and K Redford.

If anyone else is interested in joining the Committee, please let us know.

## **8. Beautification Committee Report**

Nancy Wallace presented the Beautification Committee report.

**Committee Members:** Nancy Wallace and Marge Rebovich, Co- Chairs; Gale Marinelli, Mary Ann McCarthy, Mary Grizzard, Mindy Self, Nancy Henry, Susan Morton, Jenny Hardy, Jonni Greiner and Bill Rebovich, Members. Bill does repairs of drip system every spring, keeps our aging weed whacker in working order, trims trees, hauls slash and other heavier tasks for us.

**Purpose:** We develop, manage and maintain the gardens at entrance to the Ranch not only to provide a pleasing welcome to you and your guests but also to serve as educational opportunity. With that in mind the gardens are designed to demonstrate examples of water wise, drought and wildlife tolerant plants that are hardy at our altitude. Each committee member has researched a section of the 96 plants and this project will soon be completed and available to all of you on the FCR website.

Each plant species is marked with a wooden numbered marker and the number will correspond to the Garden Guide. The guide will include a photo and horticultural requirements of the plant as well as origin and interesting natural history of the plant.

**Budget:** \$300 covers the cost of maintenance of equipment, purchase of gravel mulch, pest control products and occasional plant replacement. Of special note this year our 13-year-old weed whacker died of old age Aug. 13<sup>th</sup>. This was an untimely death as it was 2 weeks after the fiscal year closed and we would have had remaining funds in our budget! With delay of the Annual meeting and no approved new budget for 2018/2019 the tall grasses were getting taller by the minute it seemed. Bill R. headed to town to price a replacement and found that a good one now costs, on sale, \$189.00. Thirteen years ago, we paid \$129.00. Marge told him we would just have to wait till the new budget was passed to see what our budget would be.

The next morning Bill was found at his work bench, just completing a total re-build of the drive train, throttle and linkage of the old weed whacker! So, for \$49.00 in parts and 5 hours of tenacious, determined labor we have a good as new weed whacker.

**Fund Raiser:** Despite FCR being on “pre-evac” status for the 416 Fire, Marge and husband Bill busied themselves with the huge task of dividing her iris bed. Faced with several hundred iris, she decided to share them with the FCR neighborhood and gave them out by the dozen in exchange for a \$10 donation to Durango Botanical Society. A total donation of \$250.00 was contributed, in the name of Falls Creek Ranch, to the new Arboretum project at the Durango Public Library garden.

Nancy Wallace has been involved with the Durango Botanical Society since its inception and Mary Ann McCarthy and Jonni Greiner have recently been named to the board of Directors.

## **9. Common Property Committee Report**

Phil Boroff, Chairman of the Common Property Committee (CPC), gave his report as follows:

## **Forest Management**

- Additional thinning toward well-spaced trees with an eye on diversity in age and structure is required to ensure long-term healthy forests. This work will require outside assistance accompanied by sustained effort with many volunteer hours to conduct mitigation and restoration. Chris Heine has done a terrific job developing the plan of attack for the entire ranch and thanks to Jim Grizzard for working on the thinning effort.
- In conjunction with the FCR FireWise Committee, the CPC has continued thinning and restoration projects in identified areas on ranch common property. Future restoration projects will follow areas prescribed in the current Community Wildfire Protection Plan.

The \$5K budget line for part-time payroll has been a tremendous aid in removing scattered slash from the ranch proper and chipped or taken to the slash pile.

CPC volunteers and FCR residents continue to inspect for beetle infestation and fell as needed; because of increased efforts, overall numbers were down substantially from the past two years.

Several volunteer hours were provided to maintain our secondary fire exit road. Volunteers cut back brush and posted reflective guideposts and signs.

Residents are encouraged to pick up downed firewood for their personal use. In combination with the FireWise Committee, the CPC will continue to pursue no-cost outside assistance options for our remaining wood focusing on forest product reutilization.

## **Weed Mitigation**

- The CPC had been looking for a volunteer to head our weed mitigation efforts and the Autrys have stepped up to do this volunteer work.
- Weed spraying has been put on hold until very recently. Lack of rain has helped keep wide spread weed proliferation under control.
- The CPC highly encourages all members to control weeds in and around their properties.
- Thanks also to the Autrys for adopting Big Rock Meadow, Becca Steinbach for adopting the North Meadow, and the Glovers for adopting the Lake Trail.

## **Annual Clean-up Day**

- Annual clean-up day was postponed because of poor air quality. We hope to schedule a make-up day sometime in August.

## **Slash Yard**

- With increased private and common property mitigation and restoration efforts, the slash yard continues to require an enormous number of volunteer and paid crew hours. The air curtain burner (ACB) acquisition and local hires have helped keep the pile somewhat manageable. Fire restrictions have led to a backlog we will address as soon as weather permits. The CPC is considering taking loads to the transfer station in the interim.

- The increased budget for chipper rental has augmented our ability for in-place chipping as well as chipping at the slash yard.
- As a reminder, only the designated crew on duty is permitted to put anything into the ACB.

### **Budget**

- The CPC expects significant fallout (leftover) money again this year from the weed control budget due to decreased labor costs. This may be used to cover unexpected budget requirements.
- The CPC has requested no net change in budget for the coming fiscal year.

## **10. FireWise Report**

Paulette Church, FireWise Ambassador gave the following report:

**Committee Members and Special Roles:** Clyde Church (Chain Saw Gang), Chris Heine (Air Curtain Burner and Forrester), Phil Boroff (Common Property), Debbie Boroff, Steve Allen (Roadside Trimmer), Barry and Mary Ann Bryant (FCR Radio Spotters and Architectural Review), Mary Ann McCarthy (Fire Danger Sign), James Grizzard (Forrester), Doug Parmentier (Durango Fire and USFS Liaison), Sara Carver, Eb Redford (Water Facilities), K Redford and Nancy Peak (Architectural Review Committee), Byard Peake (Historian and Past Common Property Chair).

**Past FireWise Ambassadors:** Nancy Peake, Mary Ann Bryant, Judy Winzell, Sara Carver

### **Accomplishments:**

#### **Last Summer:**

- 1) We mitigated 44 acres on five target areas in the Ranch -- logged approximately 1235 volunteer hours to complete this work.
- 2) Held two 3-hour training sessions for Crew Chiefs for chain saw use and maintenance.
- 3) Purchased six complete sets of helmets, ear protectors, felling wedges, and chaps for the use of volunteer sawyers and two professional first aid kits.
- 4) Had 7 volunteer firefighters from the international controlled burn training program of The Nature Conservancy in Chama, New Mexico. They logged 42 volunteer hours.
- 5) We received \$6,000 in funds from FireWise of SW Colorado to hire local mitigation contractors to cut down and branch trees in the five target areas.
- 6) Approximately 12 loads of logs were removed at no cost to the Ranch for use in construction or as firewood.

- 7) With the use of a wood splitter, our chipper, our air curtain burner, and our dump trailer to haul bags of pine needles to town, we were able to completely empty the sort yard of material from large cottonwood stumps to loose pine needles. Received \$1,354 in chipper rebates from FireWise of Southwest Colorado.

### **This Spring and Summer:**

- 1) Renewed our agreements regarding the emergency exit with the Whispering Pines Bible Camp and the Red Ridge Homeowners Group.
- 2) Phil and Clyde trimmed back ladder fuel, removed large rocks, lowered water bars to improve escape road, and installed new reflective signs and edge markers.
- 3) Met with Lieutenant LaVenture of the Sheriff's Department and Durango Fire Marshall Hanks to review the improved escape route and informed Butch Knowlton of La Plata Emergency Management of its availability.
- 4) Received the State Farm Wildfire Preparedness Grant for the 3<sup>rd</sup> year in a row. Purchased 750 compostable bags for pine needles, cones, and leaves. Paid for lunch after evacuation drill.
- 5) Received the official FireWise USA Certification for the 7<sup>th</sup> year in a row.
- 6) Qualified to join the Ready, Set, Go program of the International Fire Chiefs Association which brings new materials and funding sources.
- 7) Held the annual FireWise Educational Meeting with presentations by two partner agencies, Colorado State Forest Service and FireWise of Southwest Colorado and John Whedon of Mountain Blade Runners of helicopter bucket drops. We also did an evacuation drill down our Mason Cabin emergency exit.

### **Overall Results:**

- Total Volunteer Hours this year approximately 3,500 X \$25.95 = \$90,825
- Total reportedly spent by homeowners to incorporate FireWise recommended building materials and landscaping practices = \$19,650
- Total amount spent by Ranch on mitigation work through March 2018 = \$650 from FireWise Budget and \$6,358 from Common Property Budget.

### **Local and National Recognition for Fire Mitigation Work:**

Falls Creek Ranch was praised by the Rocky Mountain Type 3 Incident Team and Durango Fire and Rescue for the outstanding mitigation work in formal reports. It was noted that our work saved homes and made it easier and safer for firefighters to set up structure protection.

Hallmark of the 416 Fire: No structures lost, and no firefighters injured!

THANKS TO YOU!

## 11. Dam Committee Report

Mike Hicks, Chair of the Dam Committee, gave the following report:

### **TURNER RESERVOIR STATE OF THE DAM 8/25/18**

#### **Lake Level, Water Calls and Flows:**

Lake Level	-4.10 ft.
Outfall line	0.00 CFS
Thompson Ditch Diversion #1	0.00 CFS
Thompson Ditch Diversion #2	0.00 CFS
Spillway Diversion	0.00 CFS

Zink Call	In place and being administered by the CDWR.
Steineger Ditch Call (USFS)	None in place.

#### **Irrigation Season:**

Irrigation season began April 1, 2018.

Despite there being a call made by Ed Zink, there have been no releases made from the reservoir for two reasons:

1. Evaporation has exceeded the reservoir elevations required by FCR agreement with Ed Zink that resulted from the Zink lawsuit.
2. There have been no measurable inflows into the reservoir.

The CDWR is administering the call - the Animas Water Commissioner will administer the all - he will open and close valves if deemed necessary.

While Zink's call is in place, FCR must account for all water removed from the reservoir by its members and report the amount to CDWR, therefore it is mandatory that all water removed from the lake be reported, via email, to [fcrlakewater@gmail.com](mailto:fcrlakewater@gmail.com). The CDWR will decide whether the water used must be released as it falls outside of the required evaporations levels.

#### **Native Cutthroat Project:**

The Native Cutthroat project was terminated. The four-year reservoir temperature study revealed that the water temperature was marginal at best to sustain a cutthroat fishery and with ambient temperatures expected to rise, the reservoir water temperature is expected to as well.

## **Dam Inspection:**

The annual inspection of the dam will take place this Monday, August 27. The dam has always passed its inspection with high marks and we expect it to do so again this year.

Should a large flash flood occur, the CDWR's dam safety engineer anticipates that it will have no effect on the integrity of the dam. The spillway is designed to accommodate 5,000 cubic feet of water per second/2,240,000 gallons per minute. In addition, the dam has 6' of freeboard, the difference in elevation between the spillway level and the top of the dam.

## **12. Horse Committee Report**

Peggy Lynch gave the following report for the Horse Committee:

There are currently two members on the Horse Committee, Peggy Yotti Lynch and Lisa Eckert. We have three horses at the stables with two corrals available.

Last fall we painted the front and south side of the barn and didn't realize how lucky we were to have plenty of grass to mow. Currently, we are working on weed control around the stables and clearing branches cut down by firefighters.

Due to the drought and conditions of the pastures, we are limiting pasture time for the horses this summer and hoping for a long monsoon season!

## **13. Lake Recreation and Beach Committee Report**

Paula Mills of the Lake Recreation and Beach Committee gave the following report:

### **Summer of 2018**

- Added new members to Lake Committee – Jenny Holman, Mark Smith. Welcome!
- Built a kayak rack at the boat beach. For the moment it is also housing paddleboards.
- Purchased 45 Tons of sand and gravel and created another beach area by the boat storage area.
- Thanks to Jessie Kileen – purchased a dog poop bag dispenser at the boat storage area.
- Developed a 5-year plan to be presented at the August 25<sup>th</sup> Annual Meeting

### **5-Year Plan highlights**

- Goals – (1) To keep the lake area organized and pristine and (2) Create additional areas around the lake for enjoyment
- Objectives – (1) Complete one significant project per year and (2) Assure continued maintenance
- Year 1 – 2017/18 – build a kayak rack – completed
- Year 2 – 2018/19 - build a dedicated paddleboard rack and a shade structure on the main beach
- Year 3 – 2019/20 – build a simple canoe rack
- Year 4 – 2020/21 – replace the floating rafts
- Year 5 – 2021/22 – improve the Quiet Area and Dog Beach

- General Maintenance for all years includes replacing sand and gravel, purchasing commercial grade chairs and picnic tables, replacing/buying boat oars for FCR-owned boats, grass seed, an activity fund, new signage

To accomplish these improvement projects as well as continued maintenance, we estimate an annual budget of \$4,000-\$4,500/year. Possible creative ideas to supplement the budget include:

- Yearly charge of \$100 to store boats at the lake
  - Sponsor a chair
  - Conduct an activity fundraiser

## 14. Roads Committee Report

Ed Kileen, Chairman of the Road Committee, gave the following report:

Committee: Ed Kileen, Michael McQuinn

This past year we have become more proactive in our road maintenance; we put the scope of work out to bid with three road contractors and McCarty Excavation won the contract. This has us doing more consistent road “treatments” – namely, watering, blading and rolling (compacting) to keep the gravel roads in better overall condition.

Weather and driving habits certainly impact our roads greatly – one of which we control. For all that *don't* enjoy the Dukes of Hazard washboards on FCR Main, please remember that your judicious application of the right pedal can keep those washboards from forming so quickly.

We applied our annual Mag Chloride treatment in May on FCR Main from the gate to Oakcrest. Right after, the 416 Fire started and by early June, we were all evacuated with the USFS and firefighters putting heavy use on the roads. Luckily for us, this use includes watering roads everyday which has helped their condition, but after the fire is out, we will do another maintenance treatment on the roads.

For 2018/19 our plans include:

1. Continuing proactive maintenance of roads; adding gravel in areas as required.
2. Do more consistent watering between treatments to keep dust down and help roads remain smooth. This includes renting a water trailer which has been put in the 2018/19 budget.
3. Obtain pricing for paving of FCR Main from gate to Oakcrest. This is the single most used road in the Ranch and as such receives most of the work and expense on an annual basis. It also creates the most dust for the residents that live along it which combined with the Mag Chloride is not the best or most healthy environment. We can also look at the entire road system for paving, but that may be cost prohibitive.
4. Continue to maintain and replace culverts as necessary.

Ed reported that our roads are contaminated with dirt from the mud slides and floods and his team will be working with Paulette Church in this regard. Ed did ask that if you have questions for him to please text him or email, do not call him.

There were several questions from residents including: low water crossings being speed bumps; contaminated roads; plans for Mason Cabin and a low water crossing; and a resident's request to

be very careful with your speed along Main due to dust causing problems for residents along Main.

## **15. Utilities Committee Report**

Eb Redford, Chairman of the Utilities Committee, gave the following report:

Eb Redford oversees Systems Operations, the SCADA system and is the Administrative Contact for the CO State Water Dept. Lisa Eckert has done the monthly water billing invoice generation, but that is now outsourced to a company in New Mexico. Shirley Jones, Jennifer Hardy & Nancy Peake collect monthly water meter readings. Mary Ann Bryant handles homeowner water usage discussions. Tom Allen, Barry Bryant, Chris Heine & Mike Hicks assist with Systems Analysis & other utility projects.

Thanks to all the members; great work!

### **Ray Smith is the official CO State registered water system operator (ORC) with Eb as certified operator backup**

Takes monthly water samples for testing & reporting  
Is chief operator of the two Disinfectant Systems (Upper & Lower) Responsible for system repairs

### **System Repairs**

Major leak on the Lower water system March 2018. Frozen air relief valve on the Contact Loop

Fire hydrant to be replaced late July 2017; Located on Snowshoe near the Lower Water Treatment Facility.

Upper & Lower system household leaks. Faulty toilets the main culprit. One member used 57,000 gallons; burst water filter.

### **Water Disinfectant System**

New Upper & Lower Treatment systems continued operations without problems since 1 June 2013.

Backup generator systems were installed for the Upper & Lower treatment buildings October 2015. Worked well during the recent flooding caused power outage.

CL pumps failed August 2018. Installed spare pump on the Lower System. New pumps on their way.

### **SCADA System**

System operation monitored daily. Eb monitors remotely during business trips Controls Well -1 and Well-2. Well-3 is manually operated but feeds lower Water Treatment Facility system.

Well-4 manually operated to satisfy water permit, but water not suitable for treatment & usage.

### **Budgeted Capital Projects 2018-2019 fiscal year (if budget is approved)**

\$30,000 Engineering analysis to refine Animas Water Company project design & estimated cost.

## **16. Ranch Manager and Liaison Report**

Mike McQuinn, Vice-President and Ranch Liaison reported that Ray Smith and his wife Nancy live in the ranch house near the lake and Ray takes care of our water system, our roads, and the day to day duties of keeping our ranch up and running. This requires maintenance of our equipment, some work on the horse facilities, work on our forests, culverts, lake committee and common property committees, dam work and more. Ray Smith's workload has increased due to updated and new regulation by the State regarding private water systems. Mike reported that Ray has not taken a vacation beyond a 3-day weekend on the 3 years since Mike became liaison. Ray will take some time in September, and to protect us from possible impact from the Department of Labor, the liaison hereafter will insist on vacation time.

Mike has an increased workload in his business life anticipated to begin in December; anyone interested in taking over as liaison position should contact Mike ASAP. The liaison's primary role is to communicate board and ranch member concerns and needs to Ray, check up on his day to day responsibilities (weekly), approve invoices attached to work Ray does for FCR, meet with Ray as projects approach to assist with scheduling.

## **17. Old Business – no old business**

## **18. New Business**

Paulette Church reported that an effort is underway to create a 501(3)(c) designation for Falls Creek Ranch, possibly called "Friends of Falls Creek". If this can be implemented, there is an opportunity for some tax write-offs for the membership. More will be coming in this regard in the future. The crowd was quite enthusiastic about this.

## **19. Next Annual Meeting**

The next Annual Meeting will be held on Saturday, July 13, 2019 at the Falls Creek Picnic Grounds.

## **20. Adjournment**

The meeting was adjourned at 12:37 p.m. after a motion, a second, and all approving.

Respectfully Submitted,

Susan P Morton Secretary  
October 1, 2019