

**DRAFT
FALLS CREEK RANCH ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING**

A regularly scheduled meeting of the Falls Creek Ranch Association, Inc. Board of Directors occurred on April 12, 2017 at the home of Larry Hansen. Present were President, Jim McCarthy; Vice President, Michael McQuinn; Treasurer, Larry Hansen; At Large, Peggy Yotti and Secretary, Deirdre Heine. Also present were Sandy Turner, Joe Scarpino, Barry Bryant, Mary Ann Bryant, Jim McCarthy, Mary Ann McCarthy, Ed Kileen, Paulette Church and Clyde Church.

1. APPROVAL OF MINUTES

A motion, duly made to approve the minutes as amended of the March 15, 2017 Board of Directors meeting was seconded and unanimously approved.

2. APPROVAL OF AGENDA

The agenda was approved with the additions:

1. Safe Passage Grant – liability discussion
2. Insurance coverage for Chairs and volunteers
3. Water project – related costs to budget

3. LIAISON REPORT

Mike McQuinn reported:

Our Ranch Manager, Ray Smith, performed the following tasks during the last work period:

- ❖ Collected and delivered bacteriological samples.
- ❖ Completed and delivered Consumer Confidence Reports
- ❖ Serviced road grader
- ❖ Made purchase of trailer for air curtain burner site
- ❖ Graded potholes on Main then laid down 24 belly dumps of road base
- ❖ Changed cutting edges and serviced again after laying down road base
- ❖ Made arrangements for a water truck for the week of the 17th thru the 21st
- ❖ Ordered mag for FCR Main to be applied on 4/21/17

Next month plans are to rent a water truck and perform final grading, the application of Magnesium Chloride. Request to meet with FCR and correlate repair to equipment shed roof, and discuss possible maintenance upgrade to Ranch House. Will be requesting carpet for downstairs (16yrs) and possibly upstairs (over 20yrs). Also, the request for revising the basement insulation as a priority.

4. TREASURER'S REPORT

Larry Hansen, Treasurer, reported:

1. **Current cash balances as of April 12, 2017:**
 - a. Operating: \$242,711
 - b. Reserves: \$101,393
 - c. Grants: \$11,255 (\$20,600 pending from 2016 DNR Capacity Grant for Equipment)
2. **Past Due HOA dues:** 1 member is past due on first and second installments, and 1 member is past due on just second installment. 1 member paid but still owes past due interest accrual. Reminders have been sent and interest is being accrued. Will continue to monitor and if necessary file a lien on the property. Lien will include attorney fees and accrued interest.
3. **Establish a standing Finance Committee:** With several major capital projects on the horizon (i.e., AWC water project, underground water distribution system, etc.) and the need to explore various funding and financing options, I would like to request board approval to establish a standing Finance Committee, comprised of the following 5 members: Larry Hansen, Mary Ann Bryant, Robin Southworth, Les Lynch and Walt Woltosz.

Larry Hansen made a motion: *Pursuant to Section 2.2 (s) of the Bylaws, the Board hereby approves the establishment of a standing Finance Committee, which shall be comprised of a minimum of five (5) members, to be chaired by the Treasurer as the principle liaison between the committee and the full board. The primary purpose of this committee shall be to recommend financial policies, annual budgets and financing options for major capital projects. The following members are hereby approved: Larry Hansen, Treasurer; Mary Ann Bryant; Robin Southworth; Les Lynch; Walt Woltosz.*

The motion was seconded by Jim McCarthy and unanimously approved.

4. **Budget planning** to begin soon. Some large budget items to discuss:
 - a. Estimated cost of Phase II ACW engineering study
 - b. Estimated cost to secure an easement and AWC water tap
 - c. Underground water distribution system – Estimated cost of locating and repairing leaks, or engineering study for total replacement?
5. In regard to hiring assistants to help the Ranch with disposal of slash from mitigation, Larry Hansen made the following motion: *Pursuant to the Colorado Common Interest Ownership Act (CCIOA) and Section 2.13 of our Association Bylaws, the Board approves temporary employment by the Association of family members of residents including family members of board members to assist the Ranch in disposing of a backlog of slash from our wildfire*

mitigation program and to do other labor intensive work as well as operating some equipment of the Ranch.

These people shall be designated temporary employees of the Ranch and included in the Workers Compensation Program. If they operate Ranch vehicles they shall be properly licensed, trained and insured. No preferential treatment will be afforded in hiring. Phil Boroff, Common Property Chair, will have final say in hiring.

The motion was seconded by Jim McCarthy and unanimously approved.

5. COMMITTEE REPORTS

FireWise Ambassador

Paulette Church, reported:

- The Ranch received one of the 150 national \$500 Annual Firewise Awareness Day Grants for this spring. Four hundred-forty Firewise neighborhoods applied. Funds will be used to pay for 500 compostable paper lawn bags for pine needles and pine cones, additional Ranch maps for La Plata Emergency Services, Durango Fire, and the Sheriff's Department, and for brats and other food items for the May 6th workday picnic. It appears we do not need more maps so some of the funds may go toward a small trailer to hold the water tank needed to be in place each time we use the air curtain burner.
- Paulette has submitted the final report and final request for \$4,010 to close out the Stevens grant.
- Paulette is currently working on closing out the 2016 DNR Capacity Grant for equipment purchased last spring and this fall. The reimbursement amount is \$20,500.
- We have been notified that the Colorado legislature has just approved a new funding model for healthy forest restoration and fire mitigation. This merger will make it more difficult to file reports for past grant awards, so that is why I am filing now. We can decide if we want to do work with grant funding for hourly workers in the future.

In regard to the **2016 USFS Safe Passage Grant**, the Agreement (Participating Agreement) was submitted to FCR's attorney, Christina Landeryou, for legal review. Christina agreed with the board's concern that the Participating Agreement clearly puts the Association in the managerial position for completion of this project and agreed with the board's assessment that the potential liability for the Association in undertaking this project is great. She also stated it was unclear whether the Association insurance can be relied upon to cover potential claims arising from acts of volunteers or claims generated from off-property activity.

Paulette notified the Forest Service of our concerns and that we will need to postpone the start date until FCR liability concerns can be addressed. Attorney and FCR member, Jim McCarthy, indicated he would be willing to help with the negotiating of a new agreement.

At the Board's request Mike McQuinn and Larry Hansen met with a representative from our Insurance Company to discuss liability insurance. The meeting with Mountain West Insurance Representative Jared Lyons was set up to help us gain an understanding of liability coverage for ranch members who volunteer as well as investigating liability coverage for Falls Creek Ranch as we consider our volunteers doing work off the ranch for any reason, including the work that would be performed by ranch members along C.R. 205 for Fire Mitigation under the Safe Passage Grant. Mike McQuinn then spoke to the Board regarding our insurance and its coverage. He stated that we have \$1 million per occurrence (up to \$2 million annually) as well as a \$4 million umbrella policy for litigation and settlement costs. If a major injury or death occurred, and Falls Creek Ranch was deemed liable, according to Jared Lyons we would in fact be covered up to the limits of our liability policy. However, FCR would very likely be dropped by our insurance company and it would be difficult and extremely costly to find new liability coverage. The representative further stated that although we have liability insurance that extends beyond the boundaries of Falls Creek Ranch, in the event of a liability suit arising from our work on C.R. 205, our insurance provider would very likely argue that they never anticipated covering us for "maintaining public lands." Our insurance provider stated that although volunteers are named as additional insured under our liability coverage, it is necessary for all members and all volunteers to understand the risk and inherent responsibility they accept by participating as volunteers. We also have \$5,000 in medical coverage for smaller medical needs that occur on our property, assuming FCR is liable.

Architectural Control Committee

No new business.

Beautification Committee

Marge Rebovich, Co-Chair, reported via email:

The Committee is seeking new members. Interested members should contact Marge.

Common Property

Sandy Turner addressed the Board on weed spraying indicating the need to determine what products to purchase for this season.

Water and Dam Committee

Mike Hicks, Chairman, reported via email:

Jim White of the Colorado Parks and Wildlife would like survey the cutthroat trout put into Turner Reservoir last year. The survey would be conducted by setting nets in the lake on evening of Tuesday, May 2nd and pulling the nets the morning of Wednesday May 3rd. The fish caught in the nets will weighed and measured. Jim will use a CP&W boat that has a gasoline engine. The boat and its engine are well maintained and are washed each time they are removed from a body of water to ensure that no marine parasites, etc. are transferred the next body of water it enters. *The Board was unanimous in its approval of this survey.*

In addition, as a continued consolation to Falls Creek Ranch, CP&W will stock 500 to 1000 rainbow trout into the reservoir later this spring, at no cost to the ranch.

Horse Committee

No new business.

Lake Recreation and Beach Committee

No new business.

Road Committee

Ed Kileen, Road Chairman, reported:

Volunteers will be operating the water truck for several days prior to the Mag Chloride application on April 21st. Ray will be running the grader as well. The east section of the entrance gate will be closed following the application. Notification of the closure will be emailed to members as well as posted at the mailboxes.

Ed, Mike McQuinn and Ray will be putting together a priority list for culvert work.

Utilities Committee

Eb Redford reported via email:

AWC/FCR Water Systems Connection Project Status Update

A draft version of the AWC project engineering report was sent to AWC team members by the engineering firm SGM. They want comments back by 7 April and plan to issue a final version on 14 April.

Barry Bryant said the proposal will be reviewed by the Utilities Committee before making recommendations to the Board. He also brought up the issue of the aging Ranch water distribution system and how, when and where should it be updated/repared.

6. OLD BUSINESS – No old business was discussed.

7. NEW BUSINESS – No new business was discussed.

8. NEXT MEETING

The next Board of Directors meeting will be held on May 17, 2017 at the home of Peggy Yotti.

9. ADJOURNMENT

The Board, by motion duly made, seconded and unanimously approved, adjourned the regular meeting at 8:30p.m.

This document constitutes a true and correct copy of the minutes of the Board of Directors Meeting of the Falls Creeks Ranch Association, Inc.

Respectively submitted,

Deirdre Heine
Secretary
April 12, 2017