

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

A regular meeting of the Falls Creek Ranch Association, Inc. Board of Directors occurred on April 24, 2019, beginning at 6:30 p.m. at the home of Jen Waddill. Present were: President, Jim McCarthy; Treasurer, Robin Lucie; Secretary, Jen Waddill; Member at Large, Peggy Yotti Lynch; Member at Large Terry Greiner; and Member at Large/Special Projects, Susan Morton. Also present were Chris Heine, Eb Redford, Ed Kileen, Paula Mills and Will Waddill.

1. APPROVAL OF AGENDA

The agenda for the April 24, 2019, meeting, after amending it to add the Approval of the Minutes for the March 27, 2019 Board of Directors meeting, was unanimously approved.

2. APPROVAL OF MINUTES

A motion duly made to approve the minutes of the March 27, 2019, Board of Directors meeting was seconded and unanimously approved.

3. LIAISON/SUPERVISOR REPORT

Mike McQuinn submitted the Operator's Log for the March/April period via e-mail as follows:

During the past work period tasks performed have been;

- ❖ Collected bacteriological samples and delivered to San Juan Basin Health before the 15th of each month.
- ❖ Put summer lids on dumpsters.
- ❖ Removed sander and plow from Dodge and reinstalled summer tires.
- ❖ Maintained Dyke Canyon crossing as needed.
- ❖ Assisted pumping out septic for Ranch House.
- ❖ Assisted with fish removal from lake.
- ❖ Installed 18" culvert on the Thompson ditch.
- ❖ Setup internet service for Ranch House through Verizon.
- ❖ Took vacation from April 22 through April 25.

Tasks that are upcoming for the Spring include: roads project; leak detection in water system; repair of four meters; and, service of road grader.

4. TREASURER'S REPORT

Robin reported that cash balances totaled \$459,000 across all accounts, which includes \$185,000 in the operating account, \$243,000 in the capital reserve account and \$31,000 in the grants account. Robin also stated that there is still one outstanding HOA assessment.

Robin noted that she is preparing budget information for the new fiscal year to distribute to Committee members. In addition, she is working on the March 2019 financial report. Robin also let the Board know that she would be resigning from the Board at the end of the 2019 fiscal year.

5. COMMITTEE REPORTS

Fire Wise Ambassador - Paulette Church provided the following report via e-mail:

We reached agreements on our contract for the Dense Pine Thinning Project with Waggoner Timber Services, LLC. The signed contract with attached Certificates of Insurance will be received in late April. Work will begin in April on common property in defined areas per a schedule to be drafted when the principals are on-site. Revised forms for this special project have been prepared, approved by appropriate committee chairs, and distributed. Work deadline remains June 28th unless the Board approves an extension. Lot owners near work areas are being contacted individually and a log kept.

The Wildfire Preparedness Day Meeting is May 4, 2019. We will have Wendy Most speak about homeowner's insurance and expectations in the wildland-urban interface. Charlie Landsman from Wildfire Adapted Partnership will speak about their programs to assess property and to help pay for mitigation work on private property. Ryan Cox, the new Forester from Colorado State Forest Service, will tell us about the round-headed pine beetle and the devastation it is causing near us, as well as the general state of our forests and 416 burn scars. Durango Fire and Rescue will be here to provide feedback about our work before the 416 and its impact on the fire, receive the large banner with signatures that we are mounting at our fire house, and will provide a wildland firefighter crew to show how they build land lines and discuss how essential they are to control wildfires. Residents will be updated on Falls Creek wildfire-recovery efforts and plans as well as an update on the Dense Pine Thinning Project. We will have demonstrations of a new inexpensive tool that uses just a mist to dampen embers and has been 100% effective in preventing structure fires. Several handouts will be provided along with breakfast snacks and we will end with our BBQ potluck.

We have received a \$5,000 grant from International Association of Fire Chiefs (IAFC), which dovetails perfectly with the Dense Pine Thinning Project. It provides funds for chippers, hourly workers to help with burning and chipping of slash, professional sawyers to remove fire-damaged trees that won't recover, and some equipment for workers and volunteers. It will include removal of some brush, trimming of trees, and removal of hazardous trees not included in the Dense Pine Thinning Project and will require volunteer help. The work must be completed by June 30.

A plaque is displayed on the IAFC website giving recognition to Falls Creek Ranch for the number of our reported volunteer hours for fire mitigation work in their Ready, Set, Go! Program.

Architectural Control – Mary Ann Bryant provided, via e-mail, the status of open projects as 10, with 5 being active and 5 inactive. Mary Ann also stated that the ACC is looking for two new members and those interested can find out more information by contacting Co-chairs Mary Ann Bryant or Nancy Peake. The Spring ACC Announcement reminding residents of ACC requirements was posted and distributed to membership this month.

Beautification/Entrance – No new business

Common Property – No report

Horses – No report

Lake, Recreation, Beach and Dam – Paula Mills reported the following:

In regard to the fish kill at the lake, Paula had spoken to Jim White from Colorado Parks and Wildlife (CPW) who stated that conditions this year created a “perfect storm” resulting in the fish kill, not only in our lake, but in other area lakes as well. The “perfect storm” was a result of a very low lake level going into the winter, a heavy winter with extreme ice covering the lake and an abundance of weed growth in the lake bottom with little to no oxygen availability; under these conditions many fish were not able to survive. The fish kill was not a result of the 416 Fire, but rather just the work of mother nature.

Paula stated that the CPW thinks that our lake may be a good brood lake for cutthroat trout. The CPW found a few cutthroat trout after the 416 Fire and tested the lineage against a fish of pure lineage that is at the Smithsonian Institute. They found that these fish are of the same lineage from 144 years ago. Because of the recent fish kill, the CPW thinks that our lake might be a good place to stock some cutthroat trout so that they can grow and later milk their eggs. Our lake may be a candidate for this project because there may be no fish to eat the cutthroat after the fish kill, except possibly bass. The initial step of this project is to determine if our lake is a viable environment for this project. To determine this, the CPW would need to set gill nets into the lake for about a week to see how many bass may still be in the lake. They would need to use a motorized boat to set out the gill nets and to later pull them in. The motorized boat would be on the lake for a couple of hours to set the nets and again to remove them. In addition, the water temperature could be a problem so the CPW would need to test it to ensure it is cold enough to introduce the fish. If our lake is found to be viable for this project the CPW would stock approximately 1,000, 3-inch cutthroat with tags. The fish would live in the lake for a couple of years and CPW would continue stocking the lake for about 5 years. If we were to move forward with this project, lake activities would not change. We could still fish in the lake but would regulate catch and release. However, any bass caught could be kept/killed as they eat small fish,

such as the small cutthroat that would be stocked in the lake. The carp only eat grasses, so they are not a threat to the cutthroat. Paula also stated that there is \$2,500 of carp coming to stock the lake. The carp are being stocked to eat the grasses. Paula asked the Board for approval of the initial steps of the cutthroat project.

MOTION & APPROVAL – Robin Lucie made a motion to approve the Lake Committee’s request to proceed with the initial steps of the cutthroat project. Terry Greiner seconded the motion and the motion was unanimously approved.

Paula noted that the Lake Committee purchased two commercial grade Adirondack chairs and a picnic table. She would like to put out a request for contributions from the membership for purchasing additional commercial grade chairs and tables. Robin stated that she was concerned about what is written in our charter related to our non-profit status and whether a request for contributions would violate our charter. She noted that Tommy Meadows, our CPA, had previously sent her information on the topic and that she will look at the language and get back to the rest of the Board to determine if requesting contributions from membership would be within our charter so that we can take a vote on it.

After the meeting was adjourned, Robin e-mailed the Board regarding the information she had received from Tommy Meadows. Tommy Meadows had advised us that we are in compliance with our non-profit status as long as the income we derive from our members is not inconsistent with our purpose, which is to provide common area and elements located on and within the property, including improvements, and to promote health, safety and welfare. Robin further stated that she believes that the Lake Committee’s proposal to request donations for improvements to the lake area are within the scope of our purpose and would also increase safety for our members as the commercial grade furniture would hold up better than the plastic furniture for the use it gets.

MOTION & APPROVAL – Robin Lucie made a motion, via e-mail, to approve the Lake Committee’s proposal to request membership contributions for the purpose of investing in safer and sturdier furniture at the lake. Via e-mail, Jim McCarthy seconded the motion and the motion was unanimously approved by the Board.

Road – Ed Kileen reported the following:

A culvert has not been installed at the Dyke Canyon crossing yet, but all other culverts are working well. We have received road base and will begin road work and grading soon. We did not contract to have mag chloride applied this spring as it only lasts about four to five weeks and is somewhat costly. Our main concerns are the speed some residents are driving and the dust control. Speed bumps have been discussed by the Road Committee in recent meetings. The committee believes that speed bumps will help resolve both of our concerns; people tend to drive slower when they know speed bumps are in place and when people drive slower less dust is kicked up. They were considered a few years ago but were not installed due to possible

difficulties in grading and plowing the roads with speed bumps present. To help overcome these difficulties, wider speed bumps, possibly made out of rubber, have been considered. A 25-foot rubber section would cost approximately \$2,000. It would be able to handle a 40,000-pound vehicle and could be removed for the winter and during road grading. If this option is chosen, initially one speed bump would be installed, south of Aspen by the picnic area, to see how it works. The committee plans to rent a water trailer to do rounds on FC Main to help maintain the road and control dust. The Dodge could be used to help with this work, as well. As an alternative to the rubber speed bumps, the Road Committee has also considered creating a dip in the road to help slow down drivers. Ed stated that this would be his preference as it would save \$2,000 that could be used for other purposes. Chris Heine noted that a road dip/low water crossing is also needed by the Davis cabin on FC Main north of Snowshoe.

Robin asked Ed if there was any major road work forecasted for the rest of FY19. He stated there was not, other than that the dust control would be handled by the water truck and scheduled road grading would be done, but these costs were already included in the budget. The work will be performed by McCarty through a fixed-price contract already in place.

A member brought up the culvert that was installed at the Greenburg dip in late March. The member stated that in their opinion the large culvert was an unneeded and costly option. They further stated that they believe a smaller culvert could have been installed to get us through spring, at which time we could come up with a more permanent solution, at a lower cost. In addition, they also believe that the decision to install the large culvert should have been made in a different fashion, under a more formalized process. Robin responded that, as a Board member, she appreciated the feedback. Ed Kileen stated that he was told that the situation had a level of urgency and thus it was okay to proceed with the work. Jim McCarthy responded that, as President of the Board, he made the decision to have the work performed and approved it on his own as he believed it was critical for the safety of the community. He also stated that he had reached out to the Mud, Muck and Mire Committee prior to making the decision but had not received timely feedback. Jen Waddill suggested that, going forward, decisions related to expenditures not previously budgeted for, should always be presented to the Board, along with information from the appropriate Committee, for a Board vote, unless it involves a dire emergency.

Utilities – Ed Redford reported the following:

The work related to the \$6,000 expenditure for two UPS units, that was approved earlier in the year by the Board, was completed in mid-April. Eb also installed the power transfer switch and after testing it and the two new UPS units, he noted that everything was working fine. Terry asked that Eb obtain the schematics for the wiring of the UPS units from the contractor for future reference and Eb responded that he would do so.

Jim McCarthy asked about the status of the current water distribution system and the water leak. Eb stated that the upper system was tested and had no water loss, but the lower system has a

35%-50% loss of water. Eb further stated that now that the snow is melting, the only way to find the leak is to isolate each section. Chris Heine stated that the testing should be able to be done in seven sections. Jim asked if there was a plan to do this testing. Eb responded that there was not a firm plan in place, but it has been discussed. Once the snow melts the Utility Committee, along with Ray and Chris, will establish a plan. He stated that we may also hire a leak detection expert that we have used in the past, but we are not at that point yet.

Eb stated that the water levels continue to rise in both the upper and lower aquifers/wells.

Water Supply Task Force – Susan Morton reported the following:

The Water Supply Task Force (WSTF) is working with Wright Water Engineering (WWE) on alternative water sources and has received their report with recommendations. The next WSTF meeting is scheduled for April 30 and the team will discuss the WWE report at that meeting.

Post -Wildfire Recovery Team – Paulette Church provided the following report via e-mail:

Clyde picked up the seedlings and they are being held. These will need to go into the ground by the end of April. I need to recruit additional volunteers to plant Saturday, Sunday, and Monday. We plan to put these on areas with moderate burn and on margins of the burn area to retain soils and give a boost to regrowth.

Saturday, May 4 is National Wildfire Preparedness Day and we will meet in the Fire House from 9 am to about noon. Paulette will provide an update on the work done and planned by the committee. We will also share the results of the work done to date.

A team from the Natural Resources Conservation Service (NRCS) visited the Ranch recently to begin the process of evaluating the work that still needs to be done on individual lots. We were not contacted before their visit nor after it. The County has hired a firm to do the assessments again, revise plans, and create an engineer-designed recovery plan by drainage areas.

FCR has been awarded approximately \$7,400 from the EQIP allocation (Environmental Quality Incentive Program) through the NRCS to seed the burn areas near and at Falls Creek Ranch. Two project areas have been identified for the use of the funds, one is on the Stegner's land and one is in the northwest corner of the Ranch. The funds do not fully cover the cost of the seeds but are designed to cover about 75% of the cost. Seed purchased for this EQIP program can be applied up to April 30 or in the fall of 2019, as well as in the spring and fall of 2020. Volunteers will also be recruited to do as much reseeded in the unburned meadows of the Ranch as possible with the seed we have left over from last fall. We have plenty of mulching material.

Committee members continue to meet and fine tune flows on the Ranch and as it impacts those below us. So far there has been no damage below, but we continue to have road erosion. The recommendation of the committee, including Ed Kileen, that 3" cobble be placed in the Dyke

Canyon crossing has not been implemented and erosion continues. Steinbach's driveway still needs to be addressed and flows across FC Main near the Kileen's residence needs to be redirected into the west bar ditch and the road repaired.

6. OLD BUSINESS

Church Camp Easement Agreement

Jim McCarthy asked Denny Ehlers to prepare a final draft of the agreement for our consideration and he sent that draft copy to the Board to review. Jim noted that our Ranch attorney will do a last review of the draft agreement before providing it to the Church. The Church will need to approve it as well as attach the land descriptions of the two parcels before we initiate our FCR approval process. Jim noted that Jim McCarthy (Deer Trail) suggested that we add language to the agreement stating that the agreement be reviewed every four years rather than continue into perpetuity. Board members questioned the benefit of the review and it was decided that since the agreement includes protective language the review process is not necessary. There was also a question as to whether the easement agreement would create a change in our common property, but it was determined that it shouldn't as the property has already been used in de facto for several years. Jim noted that Peggy, who has been the lead in this matter, has done a good job working with a number of interested parties.

Rick Lorenz, the realtor representing the Church Camp, was asked if a survey has been done yet. He responded it has not been completed on a certain part of the property yet as they are waiting for the snow to melt. He asked if a drawing would suffice rather than a survey. The Board stated that a drawing would not suffice and that a survey was needed. Rick Lorenz also stated that they would like to gravel the road and would like the agreement finalized and executed prior to putting down the gravel.

The next steps are to communicate to Rick Lorenz that we want a survey completed. In addition, our Ranch attorney was out of town but is now back so Peggy will get the draft agreement, that has been revised by Denny Ehlers, to her for review.

Steinbach Driveway

Jim McCarthy updated the Board on the Steinbach driveway. He stated that the Steinbach's have not yet asked for help, but they have requested to discuss the situation with the Board. Jim read the solution provided by Mike McQuinn, via e-mail, to the Board:

I met with our Roads Committee members and Mark Smith, and I also sought input from Chris Heine from our Mud Committee, for the best way to handle the water. It was agreed that we still have expectations of lots of debris coming down off the hillsides, and we need to be cautious, like we have been in protecting other common and private property, not to spend too much money on what will likely be temporary fixes. We also agreed that first we would have Ray use the FCR road grader to scrape off all of the silt and debris that had built up on the driveway. Next, we would place a series of railroad ties fastened

together, in a parallel fashion (perhaps 10 feet wide and 8 feet long) in the low point of the driveway to create a solid low water crossing (a group of volunteers will do this). Further, we would purchase 2 or possibly 3 loads of 3" road base for a driveway surface and gradually taper, ramping down and up to the driveway surface from the low water crossing. We would then drive over the surface and back drag the surface with the backhoe to flatten as best we can without hiring a roller/compactor. The 3 loads of 3" road base will cost approximately \$1,000 total, and the railroad ties and fasteners approximately \$500.

Jim noted that the driveway is currently drivable. He placed a call to the Steinbach's so that they and the Board could discuss the situation and vote on a resolution.

With the Steinbach's on speaker phone, Jim acknowledge the water and debris flow issue that was occurring on the driveway. He stated that nothing could be done until spring, after the snow melted. He further noted that the driveway would need rebuilding in such a way that water doesn't wash it out again. Jim suggested that FCR and the Steinbach's share in the resolution, such that the Steinbach's purchase all materials needed and FCR provide equipment and labor. He noted that the solution presented may not be a permanent one and that another solution may be needed down the line and he referenced Mike McQuinn's e-mail solution. Jim stated that help by FCR was questionable as residents are responsible for their own driveway. However, he did state that the Steinbach's were one of the most effected families in FCR in regard to the debris flow due to the fire and flooding. He asked if the Steinbach's would be willing to buy the materials necessary to restore their driveway and they replied that they would.

The Board members discussed and asked questions about the situation and proposed resolution. It was noted that this was the first flooding since the fire and that based on where the Steinbach's property was, flooding will happen again in the future. The Steinbach's were asked if they have considered how they will protect their driveway in future years, and they responded that they had not yet considered that. It was also noted that homeowners whose houses could be impacted from flooding after the 416 Fire were provided information on where and how to seek help, but that the Steinbach's home was not identified (their driveway is susceptible, but not their home) and therefore they did not receive this information. Concern was expressed that other residents have spent a lot of their own money to protect their property and that it should be clear that there be no expectation that FCR continue to fix the driveway after providing labor for the proposed resolution. A member also expressed concern about the possibility of the water being diverted from the Steinbach's driveway, potentially impacting other residents and becoming their problem. It was noted that with the installation of the proposed low water crossing there should only be sheet flow across the driveway and that the water won't be diverted elsewhere. After the discussion, the Board was asked to vote.

MOTION & APPROVAL – Jen Waddill made a motion to authorize the Mud, Muck and Mire committee to work with the Steinbach's on a one-time solution to resolve the water flow issue over their driveway, which includes the installation of a low water

crossing. The Steinbach's will pay all costs for materials and FCR will provide labor and equipment for the installation of the low water crossing. On-going maintenance of the Steinbach driveway and low water crossing will be the responsibility of the Steinbach's. Robin Lucie seconded the motion and the motion was unanimously approved.

7. NEW BUSINESS

No new business discussed.

8. NEXT MEETING

The next Board of Directors meeting will be held on Wednesday, May 22, 2019, at 6:30 p.m. at the home of Robin Lucie.

9. ADJOURNMENT

The Board, by motion duly made, seconded and unanimously approved, adjourned the meeting at 8:20 p.m.

This document constitutes a true and correct copy of the minutes of April 24, 2019, Falls Creek Ranch Board of Directors meeting.

Respectfully submitted,

Jennifer Waddill
Secretary
May 20, 2019