

**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 9, 2018 at the home of Robin Lucie. Present were President, Jim McCarthy; Treasurer, Robin Lucie; Member at Large, Peggy Yotti Lynch; and Secretary, Susan Morton. Also present were: Mike Hicks, Phil Boroff, Chris Heine, Paulette Church, Mary Ann Bryant, Barry Bryant, and Tammy Smith.

1. APPROVAL OF MINUTES

A motion duly made to approve the minutes of the February 27, 2018 Board of Directors meeting was seconded and unanimously approved.

2. APPROVAL OF AGENDA

The agenda, with the additions of Jim McCarthy giving the road report for Ed Kileen, a report by the Utilities Committee, and an update on easements from Mike Hicks was unanimously approved.

3. LIAISON/SUPERVISOR REPORT

Mike McQuinn reported by email the following update:

I'm very happy with the progress made on the water leak. The Utilities Committee may have more accurate info, but as I understand it we were losing about 2,000 gallons per hour and after the leak was fixed it became 38 gallons per hour which could have been from household use because the test was done between 6 and 7 a.m. Ray stayed in touch with me throughout the process and he and Chris really worked well together.

I also let Ray know we would like for him to help Common Property more this summer. He is also aware that we would like him to train Chris and Phil on the backhoe if they request the help.

The Operator's Log was emailed from Mike McQuinn and is summarized as follows:

During February - March, the following tasks were performed:

- Collected bacteriological samples and delivered to San Juan Basin Health.
- Read water meters manually in February.
- Hired a leak detector and had him locate the suspected area at Meadow Ridge for a possible leak. The area located was the main line from Meadow Ridge out in the meadow North to the first isolation valve. Chris Heine and Ray performed a dig at the Meadow Ridge site and did not find the leak.

- The last week of February and the first 2 weeks of March, Chris and Ray performed a leak survey of the lower system and discovered the leak and repaired it.
- Assisted in the repair to dumpster lids and switched out the plastic lids for the bear proof lids.
- Completed and submitted CCR's for the reporting period.
- Cleaned horse manure pit.

Next month Ray will assist in setup of the air curtain burner, perform tank inspections and maintenance, re-pour well pad for Well 4, and continue with distribution data and maintenance making ready for sanitary survey.

4. TREASURER'S REPORT

Robin reported that preliminary March financials show operating cash of \$78,000, a capital reserve balance of \$147,000 and designated grant account of \$32,000. Robin stated that there is one outstanding assessment and an outstanding water bill has been cleared through a lot closing process. Robin indicated that we need to review whether we want to fund the water project easements by floating notes or through operating cash (which is where funds in the amount of \$51,000 have temporarily come from for the closings), and also stated that she would initiate the preliminary 2019 budget planning process by sending out actuals vs. budget files to Committee chairs.

5. COMMITTEE REPORTS

FireWise Ambassador - Paulette Church submitted the following report via email:

- **Two Colorado State Forest Service Grant Applications:**

Unfortunately, we did not receive either of the two grants for which we applied to the Colorado State Forest Service. Only one of six grants were awarded in southwest Colorado. With only half the funds available in 2018 compared to 2017, competition was more intense. I am searching for other grant opportunities.

- **FireWise of SW Colorado Board:**

FireWise of SW Colorado has submitted an application to the IRS for the 501(c)(3) nonprofit status and hope to hear in June if we have met their requirements. Until we receive this status, FireWise of SW Colorado will continue to be under San Juan Mountains Association as the fiscal agent.

- **U.S. Government's System for Award Management (SAM):**

I have renewed our status with SAM so that we may contract with the US Forest Service and BLM for grants if we wish to do so. This must be done annually to maintain this opportunity for future funding.

- **Annual FireWise Community Certificate Received:**

We have been awarded the FireWise Community USA designation again and have received the more difficult standards set to achieve this status in 2019. I will ensure we meet these new standards.

- **FCR Community Wildfire Protection Plan Is Being Updated:**

Our plan approved in 2011 is being updated this year by the FireWise and Common Property Committees. If any residents are interested in participating in this process, please contact Paulette Church (970-946-4856) to join this team. The FCR Board will need to approve the updates as will our partner agencies, including Colorado State Forest Service. The work so far has focused on the current status of our emergency escape road and demonstration work on a 22-acre area along Falls Creek Main. Common Property is currently contacting surrounding homeowners for input. Trees are being marked that are to be removed as are those to be specifically retained. The revised plan will be submitted to the Board and our partners for approval this summer.

- **Small Grant from NFPA and State Farm Received:**

For the third year in a row we received the \$500 grant to fund our education meeting on Saturday, May 5th. It will fund Bob's John, \$100 toward food, and 750 ACE paper compostable leaf bags for pine needles and pine cones to be distributed free to residents. I hope to have arrangements made for a practice emergency evacuation drill and am working on that with Durango Fire and the La Plata County Sheriff.

- **New FireWise Educational Opportunities:**

April 4 – 6 to 8 pm at the Powerhouse Science Center - The Who's Who of Forests and Fire: Hear about the current conditions of our forests, how they impact our fire risk, and how local land managers are planning for the summer ahead. Speakers are from CO State Forest Service, San Juan National Forest, FireWise, San Juan Citizens Alliance, and La Plata County Emergency Management.

April 18 – 6 to 8 pm at the Powerhouse Science Center - Future Forest Changes & Challenges: Local leaders will address new management strategies, shifting ecosystems, and economic opportunities to improve future forests. Speakers are from San Juan

National Forest, Forest Health Company, San Juan Citizen Alliance, CO State Forest Service and US Forest Service.

April 20 – 21 – Managing Timber with Limited Markets at Sky Ute Casino Workshops on the 20th with a mill tour and visit to Echo Canyon on the 21st. Various state and local agency speakers.

Paulette also mentioned that we have joined the “Wildland Fire – Ready, Set, Go” program.

There was quite a bit of discussion about recent activity from the Church Camp and grading of roads in that area with some of our roads (and other property owners) being impacted. Mary Ann and Barry Bryant have walked the road and provided maps as a point of discussion. After Mike Hicks speaks with legal counsel (at least a week out), Paulette and Mike will draft a letter for the Board to send to Church Camp which addresses this issue. The discussion centered around use of this area as a potential secondary fire exit route.

Mary Ann Bryant also mentioned that we need to consider putting reflectors on the trees on our fire exit routes because they will help guide the way. Paulette indicated that she is meeting with Karola Hanks of Durango Fire to discuss abandoning Tripp Gulch as their suggested fire exit route. Durango Fire will also be asked to help us with gates and locks where legal locks and chains are needed.

Architectural Control – Mary Ann reported that there are 6 open projects and 3 pending with 2 of the projects being new construction including one that has already begun at 76 Aspen Lane. There are now 94 improved lots and 6 unimproved. In addition, the annual ACC reminder announcements will be posted at the bulletin boards. A Spanish language version of the Contractor Posting has been added and is now on the website.

Beautification/Entrance – No report

Common Property – Phil Boroff and Chris Heine spoke to the planned fire mitigation activity for an identified 22-acre area. The plan is to still use a logging company to fell, limb, and load during this process, though the economics of this has changed some with it being more expensive than initially thought and additional funds may be requested. Our residents will still work the slash.

All residents with concerns have been spoken to except for one and Chris has an appointment with that resident on the 20th to talk over his concerns about his lot. Work will commence after the 20th.

The Board again emphasized how important it is to talk to impacted residents in person or at least via phone as this work is planned, equipment arrives, and as work progresses.

Mary Ann Bryant suggested that we get a 2 to 3-year plan to residents and if it is possible to have that available for the May 5th FireWise presentation.

Chris indicated that the air curtain burner is being serviced this week and that a one-page instruction document will be given to the community. There was general consensus that no prescribed burns will occur this year due to dryness.

Lake and Dam – Mike Hicks indicated that the lake is 2 feet low and there is no flow coming into Falls Creek and no call is in place by Ed Zink. Mike stated that we should still see the lake continue to drop, that it has been just too dry. Mike also requested that we get the word out that we could use more volunteers on the Lake and Dam Committee.

Horses – No new business

Lake Recreation and Beach – No report

Road – The following report was submitted by Ed Kileen via Jim McCarthy:

Bids were requested for roadwork from 5 contractors and 2 responded. Ed will be making a recommendation to the board that we move ahead with one specific bid and this approach is supported. There looks to be a potential for substantial cost savings and improved work and will also free up Ray Smith to focus on other areas.

Jim commended Mike McQuinn and Ed Kileen on the good work they have done in this area.

Barry Bryant mentioned that the roads need an annual road base fix and suggested we consider chip/seal at the same time. Barry was referred to Ed Kileen while Robin indicated that this activity is in long-term capital projects but it needs to be updated and thought through.

Utilities – Chris Heine spent some time explaining the process behind isolating the recent water leak and what caused the leak. The leak was caused by cracks in an uninsulated valve and Chris stated that we need to consider looking at all the valves and insulating them. Ray and Chris will be looking at this in the future.

Jim commended Chris for taking charge of this process and solving the problem.

Mike Hicks reported that he is continuing to work with SGM Engineering on the FCR Water Distribution Engineering Review and Analysis and that there will be a cost savings from what we had originally estimated. SGM will be producing a plan that analyzes our system and documents it, tells us what needs to be done, outlines what this will cost, and recommends how we plan for the expense. Jim McCarthy mentioned that he is very pleased with the results, so far, with the Animas Water Project and Water Distribution Analysis and that we need to let the membership know (possibly at the annual meeting) about the accomplishments here.

Chris Heine indicated that we have 2 licenses for our ArcGIS software and recommends that we cancel 1 which is not really needed.

Barry Bryant reported that we have new meter readers and several of our residents have been trained on the use of these as well as Lisa Eckert and Eb Redford being knowledgeable about the software to program the meters. There are also written instructions on how to perform these activities according to Mary Ann Bryant.

There was some discussion how the importance of information about our utilities be easily available as we need it and Mike Hicks recommended that this be uploaded to the cloud and not kept in an obscure, paper-based location. Barry Bryant mentioned that information about our bacteriological reporting is quite important and we need to be able to access this as well as keep up with it.

6. OLD BUSINESS

No old business.

7. NEW BUSINESS

- Tap Fee - Mary Ann Bryant reported that a tap fee for new connections to our water system is no longer required. Since this is in Covenant 14, Mary Ann asked about the need to update this. Robin indicated that she will look to see if there are alternatives that might not require a change to the covenants.
- Erosion Mitigation – Phil Boroff indicated that a resident’s concern about some erosion mitigation on Starwood has been addressed.
- Annual Meeting Planning – Susan Morton reported that she is beginning planning for the Annual Meeting in July and that she has met with Deirdre Heine a couple of times to get more detail about what is needed and that the planning is underway. Peggy Lynch indicated she could help Susan with the planning. Chris Heine asked if a PA system had been rented and Susan said that it has been reserved but not paid for. Chris recommended we considering buying our own PA system since it would be cheaper in the long run. Susan stated that the biggest area where she needs Board support now is with the preliminary budget required for the membership packet as well as approval for the other items that must go in the packet. The membership packet has to go out by mid-June so this should be wrapped up around the 1st of June.

8. NEXT MEETING

The next Board of Directors meeting will be held on Tuesday, May 15, at the home of Peggy Lynch at 6:30 p.m.

9. ADJOURNMENT

The Board, by motion duly made, seconded and unanimously approved, adjourned the meeting at 8:42 p.m. The Board remained for Executive Session while all other attendees left the meeting.

10. EXECUTIVE SESSION

The Executive session was held as allowed under Governance Policies - Notice and Conduct of Board Meetings - Section 3.14 (a)(v) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy and also Section 3.14 (a) (vi) Review of or discussion relating to any written or oral communication from legal counsel.

Two matters discussed, in summary, included:

- A resident's request for a lot change
- Board member succession planning

The Executive Session adjourned at approximately 9:37 p.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.

Respectfully submitted,

Susan Morton
Secretary
April 17, 2018