

**FALLS CREEK RANCH ASSOCIATION, INC.  
BOARD OF DIRECTORS MEETING – 11/28/18**

A regular meeting of the Falls Creek Ranch Association, Inc., Board of Directors occurred on November 28, 2018 beginning at 6:44 p.m. at the home of Jim McCarthy. Present were: President, Jim McCarthy; Vice President, Mike McQuinn (via phone); Treasurer, Robin Lucie; and Member at Large, Peggy Yotti Lynch. Member at Large, Terry Greiner joined the meeting at 7:15 p.m. Additional community members present were Jennifer Waddill and Joan Heil.

**1. APPROVAL OF MINUTES**

A motion duly made to approve the minutes of the October 17, 2018 Board of Directors meeting was seconded and unanimously approved.

**2. APPROVAL OF AGENDA**

The agenda, with the discussion of the New Board Members to be Appointed moved up to the beginning of the meeting, was unanimously approved.

**3. NEW BOARD MEMBERS TO BE APPOINTED**

In accordance with Article 2, Section 2.5, of the Amended and Restated Bylaws of the Falls Creek Ranch Association, Inc., Jim McCarthy proposed that the Board appoint Jennifer Waddill to be a member of the Board, to complete the term of Mary Ann McCarthy, as secretary and appoint Joan Heil as a member of the Board, to complete the term of Mike McQuinn, as vice president. A quorum of the Board was present and unanimously approved the appointments.

**4. LIAISON/SUPERVISOR REPORT**

Mike McQuinn submitted the Operator's log 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 15<sup>th</sup> of each month.
- ❖ Assisted Chris with flood control.
- ❖ Moving forward on Compliance Advisory - Lead and Copper Rule – Request for Information survey. Task to be completed by 01-10-19.
- ❖ Winterized backhoe and road grader.
- ❖ Assisted with Halloween Hay Ride
- ❖ Hired Durango Handyman to replace screws with larger ones on Ranch House roof. March winds were lifting the front portion of roof almost a foot.
- ❖ Put studded tires on Dodge and ordered a sander for the back. The sander is expected to arrive by 12-13-18; there have been delays due to shipping issues.
- ❖ Assisted in culvert replacement project.

- ❖ Dug out ditch at picnic area.
- ❖ Cleared horse manure pile. Removed two loads of debris from equipment shed.
- ❖ Renewed distribution certification.
- ❖ Put Kabota and small brush hog away for winter.
- ❖ Winterized all pumps.

Will be removing all tires from equipment shed that are not related to FCR equipment, replacing dumpster lids with plastic ones, and completing Lead and Copper sample site update for submission to the state.

Mike also reported that Ray took on a very big role and did a great job in the one last push this year to prepare FCR for potential flooding in the spring. In addition to this extra work, which was completed before the Thanksgiving holiday, Ray also completed his normal work activities. Mike noted that Ray hit the roads one last time with the grader and that FCR is pretty well prepared for snow this season.

Mike stated that he was approached by Ed Kileen and Ray about purchasing a new sander for a cost of approximately \$7,200 and Mike approved this purchase. Ray estimated that the useful life of the sander was around 10 years and Robin Lucie stated she would consider a 7-10 year useful life for depreciation purposes once she received the supporting invoice/documentation. Mike noted that the sander was purchased from the same company that the snowplow had been purchased from and would forward the invoice to Robin as soon as he had it.

## **5. TREASURER'S REPORT**

Robin Lucie reported that cash balances totaled \$487,000. Robin also stated that there are still two outstanding HOA assessment that she is following up on. In addition, Robin noted that two homes in FCR were sold in November.

Robin requested updates on the McCarty bills and the cost of the new sander from Mike McQuinn, which he stated he would follow up on.

## **6. COMMITTEE REPORTS**

### Post -Wildfire Recovery Team

Mike reported that McCarty helped with the Post-Wild Fire Recovery work and that this work was completed before Thanksgiving, as hoped. He also noted that we had received the \$5,000 from High Meadows to help cover some of the costs of this work.

Jim McCarthy noted that Paulette Church reported that the Department of Agriculture was at the Ranch and that we may receive approximately \$2,300 from them to help with our efforts

Jim further reported that, although he was unsure if these current efforts to send water to the lake rather than down CR 203 was successful, the work we did prior to the Post-Wild Fire Recovery work did help. He noted the water that used to go down to CR 203 was cut by about half due to our mitigation efforts. In addition, he stated that the goal is not to divert 100% of the water to the lake because that may result in unforeseen circumstances, but we do want to divert more water to the lake. Jim also reported that someone from CR 203 wanted to send their attorney up to FCR, but we redirected them to our insurance company's attorney.

Mike reported that our insurance company that carries our liability insurance was advised about the complaints from residents on CR 203. As a result, our insurance company's attorney hired an engineering firm and specialist to look into the situation. The engineering firm met with Chris Heine, Clyde Church and James Glover and prepared a list of recommendations. We are currently waiting to receive this list. Mike noted that the engineering firm and specialist stated that if litigation were to occur, all of the work that we did for fire mitigation would very helpful to our case, as it helped the Ranch, the surrounding forest land and homes on CR 203 not to burn in the 416 Fire. He stated that no one on CR 203 has hired an engineering firm to do a study, to his knowledge.

Paulette Church provided a report via e-mail as follows:

Our insurance company provided two engineers from Wright Water Engineers to spend all day touring the Ranch with Clyde, taking photos and measurements and following drainages. We hosted them for lunch and we spent time reviewing maps and documenting the steps we have taken to protect the Ranch and those below us. They were very positive about the steps we had taken and said our neighbors were saved from more serious threats because Falls Creek did not burn.

Mike McQuinn then met with one of the engineers about a week later and toured the Ranch receiving suggestions that have been incorporated into our future plans. More water will be spread out over the north part of the north meadow in hopes to diminish the flow from that meadow. The settling ponds will be cleaned out once more. We have found with heavier rains that more water and mud flows go south than anticipated. The road crossings are being moved to better accommodate the flows and culverts are being enlarged as well. Committee members have met with homeowners who have been or may be affected by this flow through the middle of the Ranch so they are aware of the planned work and have approved it, often making helpful suggestions.

We plan to remove one of the water crossings on Main as the flow it once carried is now handled at another crossing. All will be smoothed out to make them easier to negotiate and to plow this winter. Permanent installations will probably wait until spring. At some crossings on side roads, smaller culverts will be replaced with larger ones. It will be essential to keep all culverts open and bar ditches along the roads open to control flows.

We thank everyone for their patience as we calculate, consult, and plan the best ways to protect our roads, water system, and property. The water crossings have been a challenge for everyone but they are the best way to handle the debris and flows.

Work will be done primarily by hand and small equipment in the spring to remove debris in the meadows. I'm sure you have noticed how green the grass is where there are mud flows, due to the high nutrient levels. These may need to be raked out in the spring and treated for new weeds. We really hope to restore them next year as much as possible. Volunteers are helping with fall seeding on the 11<sup>th</sup> and 12<sup>th</sup> and we will use up more of our straw bales. We will need to rake in many areas to work in the seeds.

I met with Laura Knapp of the NCRS office in Durango and she is coming to tour the Ranch once again next Tuesday. She thinks we may qualify in our burn areas for federal funds for emergency restoration of the watershed and erosion control. These funds are through the USDA programs.

Fire Wise Ambassador – Paulette Church provided a report via e-mail as follows:

I completed our application for the Firewise USA certification and we have been approved for the coming year. I will post a copy of the certificate on our website when I receive it as it helps with insurance and mortgages. Our reputation of doing outstanding mitigation work has gone national and that should put new buyers at ease.

Here are some stats from our Firewise USA application for certification:

Volunteer Administration Hours	245	Worth \$ 5,914
Volunteer Common Property Hours	3,128	Worth \$75,510
Volunteer Hours in Zones 1 and 2 (homes)	1,118	Worth \$26,989
Money spent by FCR and homeowners		\$25,814
Total Fire Mitigation Investment for 2018	\$134,227	Per home \$1,384

We have had several days of burning and a successful weekend chipping festival, logging 18 hours on the chipper. We still have slash in the sort yard and dozens of pine needle bags and hope to clean this up by the end of the month. We are going into another dry period for the next couple weeks so burning sooner is safer.

James Grizzard is continuing work to find loggers to harvest our 500 marked trees. He is looking for a no-cost solution for the Ranch this fall if possible. A shortage of lumber mills in our region is making it difficult to negotiate a contract.

We still need to be vigilant about protecting homes and common areas from wildfire. Removing pine needles and dried leaves is especially important because we are seeing wildfires on a year round basis. The gutters, decks, and wood siding are vulnerable and the 6 to 10 ft. area around each building is the most critical to keep clean.

Architectural Control – Mary Ann Bryant provided, via e-mail, the status of open projects as 11, 8 active and 3 inactive.

Beautification/Entrance – No new business

Common Property – No report

Horses – No new business

Lake, Recreation, Beach and Dam – Robin Lucie clarified that the committee chairs for the newly combined Lake, Recreation and Beach Committee and the Lake and Dam Committee, now re-named to the Lake, Recreation, Beach and Dam Committee, would remain as Barb Belanger and Paula Mills. She also reiterated that, although not committee chairs, Scott Southworth would be in charge of the Dam and Mark Smith would be in charge of the fish.

Road – Ed Kileen provided the following report via email:

We spent significant time in October analyzing the roads, the impact of recent mudflows and how to best approach preparing the roads for winter conditions.

In conjunction with our Insurer, we have identified ways to lower the downstream impacts of runoff and maintain our roads in the best conditions possible.

We have decided to prioritize several culverts that should alleviate potentially hazardous winter conditions and contacted our road contractor for a bid. The final scope of work will be defined by early November and we will complete prior to the ground freezing later in the month.

We have also decided to modify 2 of our low water crossings on Main slightly so that they will continue to function as designed and built but be easier to drive through during winter.

Utilities – No report

Water Supply Task Force – Susan Morton provided the following report via e-mail:

The Water Supply Task Force Core Team met on 10/30/18 for a regularly scheduled team meeting. Minutes were recorded from the meeting and forwarded to the Board of Directors and other interested parties.

## **7. OLD BUSINESS**

### Church Camp Agreement

Peggy Lynch reported that Whispering Pines Camp, which is owned by First Baptist Church of Durango, forwarded us a sample agreement for non-emergency use of a portion of the road that goes from the Camp to CR 203 and that is owned by FCR. The Church previously improved this road without obtaining permission from the Ranch or other owners of portions of this road. The Church is having a land survey prepared that will detail the property lines of various owners and will share this survey with us once completed. In addition, we have engaged an attorney, at the expense of the Church, to assist us in this matter. The attorney has reviewed the sample agreement and believes it is loosely structured and grants very broad permissions for the Camp's non-emergency use of our portion of this emergency road. Currently, we have a License Agreement in place, executed on October 31, 2006, with First Baptist Church of Durango and Red Ridge Property Owners, granting them revocable license to use each other's existing roads for emergency purposes only. The attorney presented several questions and topics to Peggy for the Board to discuss and consider. These questions and topics were distributed to the board, via e-mail, earlier in the month.

Peggy went over the questions and topics the attorney presented. Among the various questions and topics discussed, the Board agreed that they want to be conservative and cautious with the terms of any agreement made for non-emergency use of the road as they do not want the area to be used for anything other than its historical, traditional use. In addition, the Board requested that the agreement contain language stating that the Camp will indemnify FCR against any future liability claims by those using the road and that FCR be named as an additional insured on the Camp's liability insurance policy. The Board requested that Peggy have the attorney prepare a draft agreement for the Camp's non-emergency use for the Board to review. Peggy stated she will request a draft agreement and keep the Board up-to-date on the progress of the agreement and on any new information she obtains.

### Water Accounting Update/Discussion

Robin Lucie reported that she spoke to the Ranch's accounting firm and that they can set-up separate accounts, break-out current accounts and prepare allocations in order to have greater detail available on the revenue and expenses related to the Ranch's water use and related costs. However, she suggests that this not be done until we have more clarity on how we will proceed with our water situation as there will likely be an increase in costs to our accounting firm if we were to request more detail. Jim McCarthy stated that it will be important for us to know how much our water system costs as this information may be required for future changes we make to our system.

## **8. NEW BUSINESS**

FCR Records - Mary Ann Bryant sent an annual reminder, via e-mail, to the Board requesting that any records they have but are no longer using be forwarded to her so she can file them appropriately in the Record Shed before winter.

Mary Ann also noted that part of our recordkeeping is actually putting documents on the web-site so we don't also need paper copies in the Record Shed. She stated that our website should be reviewed and updated as appropriate.

Robin stated that some of the documents she has, such as correspondence on two FCR easements, are rather large and she will discuss with Mary Ann the best way to scan these documents for inclusion on the web-site. She also noted that we need to review the lease/rental agreements for properties on the Ranch to ensure that we have the most up-to-date agreements in our files.

The Board discussed the fact that we currently have only two web-sites for information to be housed: (i) the Falls Creek Ranch web-site, which is available to relators and the public, as well as members; and (ii) our financial information site, which has very limited and restricted access to very few members and the Treasurer, as it contains confidential information. Joan Heil suggested that we have a third web-site that would be a FCR members only site, accessible by password. This site would contain documents that would be important to members, such as the correspondence on easements, some service contracts, etc., but that should not be available to persons outside of FCR homeowners. Terry Greiner volunteered to discuss implementing a third site with Susan Morton, including what it would take to develop and maintain this site. He also volunteered to look into record retention requirements to ensure that we are not holding on to documents longer than needed.

Finally, in her e-mail, Mary Ann also noted that our records show that the agreement between the Ranch and the FCR Tennis Court users expired September 15, 2018. Per the contract, that land reverts back to the Ranch Common Property unless extended or amended for the future. There are currently only two members who regularly use the tennis courts and they are working on a potential proposal for its use to present to the Board.

## **9. NEXT MEETING**

The next Board of Directors meeting will be held on Wednesday, January 16, 2019, at Peggy Yotti Lynch's home at 6:30 p.m.

## **10. 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 November 28, 2018, Fall Creek Ranch Board of Directors' meeting.

Respectfully submitted,

Jennifer Waddill  
Secretary  
December 8, 2018