

MINUTES

FALLS CREEK RANCH ASSOCIATION, INC. BOARD OF DIRECTORS MEETING

FEBRUARY 10, 2014

A regularly scheduled meeting of the Falls Creek Ranch Association, Inc. Directors occurred at 6:00 pm February 10, 2014. Present were: President, Mark Galbraith; Vice-President, Lisa Hicks, Treasurer, Sue McCarthy; At Large, Gale Marinelli; and Secretary, Becca Steinbach. Also present were Barry Bryant, Mary Ann Byrant, Mike Hicks, Tom Jones, Byard Peake and Eb Redford.

1. APPROVAL OF MINUTES

The FCR Board of Directors February 10, 2014 Minutes were amended to reflect the motion made, seconded and unanimously approved on January 13, 2014 to notify Accounting Outsource that their bookkeeping services will be terminated by the thirty-first of January.

By motion duly made, seconded and unanimously approved, the Minutes of February 10, 2014 Board Meeting were approved as submitted.

2. LIAISON REPORT

Byard Peake, Liaison, reported all fluids on the grader have been changed. Ray was informed of the pot holes forming on the roads, and he will grade pot hole areas when the roads dry out. Byard will meet with Ray and Barry, Road Chair, to determine the amount of magnesium chloride needed for the roads. Byard will discuss with Ray the matter of keeping a log of gasoline consumption.

Architectural Control Committee No Report

Beautification Committee No Report

Common Property No Report

Dam Mike Hicks, Chairman, reported the installation of Cured in Place Plastic Pipe was completed on November 25, 2013. All necessary reports and forms have been filed with and fees paid to the Colorado Division of Water Resources. FCRA received Laynes Inliner's invoice for the CIPP installation on February 7, 2014. The invoiced amount matches Layne's proposal of \$22,500. We will make two deductions from the invoiced amount to cover costs FCRA incurred with the repair of the defect (wrinkle at the 60 degree elbow) that occurred during the installation.

FCRA will not pay Layne's invoice until it has successfully negotiated a revised warranty from Layne to include such revisions as:

- Increase warranty to three (3) years from one (1) year
- Cover all costs related to the repair and of any defect in the original repair of the wrinkle
- Any such repair may be mandated by FCRA, FCRA's designated professional engineer and or the Colorado Division of Water Resources Dam Safety Division, individually or collectively and not solely at the discretion of Layne Inliner.

Mike reviewed the spillway diversion presented at the January 13, 2014 BOD Meeting. The concern is the present depth of the diversion's inlet structure of 5.5 feet below the reservoir's full level. The Committee's concern is perhaps it should be placed lower for future demands, given that there will be expected lower precipitation levels. The BOD determined it would be prudent to have a study done to recommend a depth for the inlet structure.

A motion was made, seconded and unanimously approved to spend \$880 for a study to determine the inlet structure level.

FireWise Ambassador No Report

Horse No Report

Lake No Report

Road No Report

Utilities Eb Redford, Chairman, reported:

- Water consumption is down. The membership has responded and conservation has been impressive.
- Eb reviewed the purpose of a water billing system approved by the membership at the 2013 Annual Meeting. First, to help with conserving water; Second, create finances for the up keep of the water system.
- Eb submitted several options for the billing of water fees to the residents for the BOD's review.
- Ray has all the parts needed to repair the leak in the transfer pipe and it will be repaired
- Wednesday, February 12, 2014, Animas Well Drilling, the original company that drilled well #2 will inspect the well and submit its findings.

4. TREASURER'S REPORT

Sue McCarthy, Treasurer, reported the Bank of the San Juan operating account balance as of 2/9/14 is \$156,181.37.

Actions reviewed by Sue are:

- Terminated Accounting Outsource bookkeeping service as of 1/31/14
- Hired Allisa Olinger from Elliott, Meadows & Associates, LLC as our bookkeeper
- Setup a Drop Box file transfer system
- Transferred FCR QB and tax files
- A checking of FCR fiscal year done by Tommy Meadows, CPA as first step in taking over our books, and verifying accurate month end reports
- Adjusted our Cash Flow report for 2014
- Customized monthly report formats to meet Board's needs and in a format to be published on FCR website.

FCR has received payments from all owners for the 1st half of assessments. Second half of assessments are due 2/1/14 with a 30 day grace period. The fee is \$1500 for improved lots and \$1450 for unimproved lots.

All future reimbursements will be made through the Bank of the San Juan bill pay system. Checks will come in the mail about 7-10 days after payment is authorized.

5. OLD BUSINESS

January 30, 2014, a motion was made, seconded and approved via e mail to sign an agreement with Elliott, Meadows & Associates to have Allisa Olinger perform the bookkeeping services for Falls Creek Ranch.

Lisa Hicks, Vice-President, informed the BOD on FCR insurance renewal information. There will be no changes in our policy. Our cost increased 4%; average increases nationally are 8-10%. The BOD agreed to formalize FCRA's insurance renewals and authorize payment.

The Zink Road project has been put on hold. There will be no action taken by the U.S. Forest Service at this time.

6. NEW BUSINESS

The Finance Task Force and the FCR Board will meet to discuss financing options for FCR capital improvements.

7. UPCOMING PROJECTS

Review calendar of Required Actions

8. NEXT MEETING

The next FCR Board of Directors Meeting will be held Monday, March 10, 2014 at 6 pm at the home of Becca Steinbach.

9. ADJOURNMENT

The Board, by motion duly made, seconded and unanimously approved, adjourned the regular meeting at 9:21 pm.

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

Respectfully submitted,

Becca Steinbach

Secretary

February 10, 2014