

**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 February 15, 2017 at the home of Deirdre Heine. Present were President, Jim McCarthy; Vice President, Michael McQuinn; Treasurer, Larry Hansen; At Large, Peggy Yotti and Secretary, Deirdre Heine. Also present were Eb Redford, Joe Scarpino, Chris Heine, Phil Boroff, Sandy Turner, Barry Bryant and CV Wells.

1. APPROVAL OF MINUTES

A motion, duly made to approve the minutes as amended of the January 4, 2017 Board of Directors meeting, and the minutes of the January 14, 2017 Town Hall meeting, were seconded and unanimously approved.

2. APPROVAL OF AGENDA

The agenda, with the addition of a Metro District straw poll discussion, was approved.

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.
- ❖ Spent a good part plowing snow. Storms have been relatively light but frequent.
- ❖ Fixed water leak in equipment shed.
- ❖ Serviced road grader.
- ❖ Have been working roads as they thaw getting ready for Spring roads project.
- ❖ Met with FCR and contractor to correlate build in March at Lot I#17
- ❖ Readied the GMC for new plow
- ❖ Made repair to dumpster lids

Next month plans are to provide a tap at lot #17, get with Ed Kileen and schedule road grading failed roads within the ranch, ordering road base and allocate throughout the ranch and ready for mag chloride (in May). This winter FCR hired Britt Lovelace to help keep up with snow plowing on intersections and cul-de-sacs. This proved to be a great decision allowing a quicker response which gave more mobility to the residents. FCR also purchased a plow for the white GMC. It will be a strong asset to the ranch. Volunteers are going to assist next winter; this unit turns out to be very user friendly.

4. TREASURER'S REPORT

Larry Hansen, Treasurer, reported:

1. Current cash balances (as of 1/31/17 Financial Report):

- a. Operating: \$238,092
- b. Reserves: \$98,803
- c. Grants: \$16,699

2. Mid-Year 2016-17 Budget Update:

- a. **Operating Fund Beginning Cash Balance:** The current budget projected a beginning "estimated" **7/31/16 FYE cash balance of \$38,300**. This was "estimated" due to the budget being prepared late May, 2016 for presentation and approval at the June member's meeting. **Actual cash balance at 7/31/16 ended up at \$48,449** (after subtracting approx. \$60,000 of 2015-17 budgeted assessments received and deposited prior to 8/1/16). The \$10,149 positive variance was related to various budget line items that came in under budget in last two months of budget year (i.e. less gravel, equipment rental and water testing than budgeted and other misc.).
- b. **Operating Fund Projected Ending Cash Balances:** The current budget projected an ending cash balance in Operating Fund of **\$1,193**. To date, we have incurred several unbudgeted costs (\$7,525.85 snow plow and unbudgeted Metro District legal fees - \$2,596 invoiced to date). And, the AWC project engineering study ended up \$5,000 higher than budgeted.
 - i. If remaining actual costs for this budget year come in close to budget, we will end this budget year with a **deficit** cash balance of approx. **\$3,780.00**.
 - ii. However, please note that should there *not* be any "positive" budget variances in the remaining budget year -there typically are as many budget line items are "best guess estimates" subject to change, but if not- we can postpone the **\$21,000** budgeted for the tank mixer and extending street power for another year as this is a future preventative maintenance budget item, rather than a needed repair this budget year.

- 3. **Financial Reporting:** October 31, 2016 quarterly and January 31, 2017 quarterly financials have been uploaded to website.
- 4. **Second half HOA dues due by end of February** for those paying in two installments. Currently there are 2 members past due on first half installment. Reminders have been sent.
- 5. **Annual HOA registration** renewal completed.
- 6. **Annual insurance renewal** was renewed on February 15 with the additions of the new Kobota, trailer, and snowplow. Our premium has gone down.

Larry also mentioned that we do have liability coverage for volunteers of up to \$5000 if FCRA were found liable.

Barry Bryant and Mike McQuinn both strongly suggested using up the gravel allotted for in the current year's budget.

5. COMMITTEE REPORTS

FireWise Ambassador

Paulette Church, Firewise Ambassador reported via email:

- Our Committee held a welcome potluck for Charlie Landsman, the new La Plata County Coordinator for FireWise of SW Colorado. Each committee member and spouse was able to tell their history with our Firewise program and why they support it so strongly. It was a unique opportunity that we have not taken time to do before and I hope to be able to capture these stories for our history. Charlie was able to learn how fire mitigation and healthy forest restoration weaves into so many other functions of FCR. He was impressed by the level of support our program receives and the ease with which new residents become involved with it.

- I have prepared a grant application for the Title II Safe Rural Schools Grant, administered by the USFS through San Juan National Forest. Once again, the County Commissioners have written a letter of support for our application to extend the thinning and trimming southward one mile along CR 205. This grant is primarily for road improvements and maintenance so is limited to work along rural public roads.
 1. Discussion on the grant included questions regarding the depth of the cutting along the road and how far back it would go. It was the Boards opinion that the additional one mile of trimming was not necessary. (see motion below)

Jim McCarthy moved, with appreciation and gratitude of past performance, not to approve the additional mile requested in the grant. The motion was seconded and approved.

 2. Jim asked that a pre-grant work meeting with the county be set up to discuss tree marking.

- I have applied for the \$500 Annual Firewise Awareness Day Grant for this spring. Funds would be used to pay for food for our educational meeting, compostable paper lawn bags for pine needles and pine cones, and additional Ranch maps for La Plata Emergency Services, Durango Fire, and the Sheriff's Department.

- I have confirmed the 2016 USFS grant work beginning the week of May 15 on CR 205 from our entrance south for 0.6 miles with the Conservation Corps, La Plata County Road and Bridges, and the San Juan Forest Service. We will soon issue a volunteer signup request for one and two-hour shifts during the week for help with slash removal, towing of the trailer, air curtain burner operation, and traffic guidance. The Corps members will camp at the picnic grounds and we have discussed providing some time for volunteers to meet with them informally in the evenings
- Chris and Phil will begin marking trees for work in the spring. These include beetle trees, unhealthy trees, and trees that are too dense to receive required precipitation. Some homeowners have requested removal of trees on their acre. Homeowners will be referred to a tree removal company. (see motion below)

1. Larry Hansen made a motion to prohibit the use of Ranch equipment and Common Property committee members to do mitigation on private property. The motion was seconded and approved.

- Saturday, April 8th is set for the Firewise educational meeting and potluck. We will have several guests at this meeting, including other neighborhood Firewise Ambassadors. Anthony Culpepper, Project Manager and Researcher with San Juan Mountain Studies Institute will be our keynote speaker. He focuses on sustaining healthy forests from a broad perspective and is a high energy, passionate speaker. Kent Grant from CSFS and Pam Wilson from FireWise of SW Colorado will give brief updates and review programs to help homeowners access grant funds and tax credits for work on their property.
- The spring workday for Firewise will be Saturday, May 6th. Volunteers will work under team leaders on priority areas for thinning and the removal of winter-kill. Again, a potluck will conclude the workday. People have asked if they could volunteer in the past but our committee did not have permission to invite nonresidents on to the Ranch for this purpose. (see motion below)

1. A motion was made and approved not to allow non-Ranch residents to volunteer for Firewise work activities due to liability concerns.

Outside individuals are welcome to attend Firewise Meetings and educational programs held on the Ranch.

Architectural Control Committee

Mary Ann Bryant, co-chair reported:

Construction will begin in the next month on the residence at 64 Starwood Trail.

Beautification Committee

No new business.

Common Property

No new business.

Water and Dam Committee

No new business

Horse Committee

No new business

Lake Recreation and Beach Committee

No new business

Road Committee

Mike McQuinn reported on behalf of Ed Kileen, Road Chairman:

In the month of January, we experienced quite a variety of road conditions – clear, snowy, icy and everyone’s least favorite, heavy slush! One day was particularly bad on the roads.

This caused us to re-evaluate the methods and tools we use to keep the roads clear and safe for our residents to use. It was determined that while the road grader is very effective in keeping our roads open, it also takes over 5 hours to make a “lap” of Falls Creek Ranch and has a rigorous and relatively frequent maintenance schedule.

Mike McQuinn and I met with Ray and discussed what additional tools he thought would be good to not only keep roads open, but what could be more efficient than the grader. We settled on a plow for the pickup (the old snow plow on the sand truck is not in good repair and would not be cost effective to make it a plow truck).

We then researched a high-quality plow and settled on a Boss V-Plow (Recommended by Britt Lovelace who has had his Boss for 25 years and it is still plowing!) The purchase was approved by the board and the plow has been installed on the Ranch GMC pickup truck. Mike and I have asked for volunteers in the case of a heavy snow event so that the volunteer could plow with the pickup and Ray would continue to operate the grader. Eight residents have volunteered and we will be conducting training with Ray prior to their operating the new snow plow. This is in addition to the residents who pitch in to keep fire hydrants clear.

Utilities Committee

Eb Redford, Chairman, reported:

AWC/FCR Water Systems Connection Project Status Update

An AWC project kickoff meeting was held 11 Jan 2017 at the home of Eb Redford to review project details and next steps.

Attending from SGM were Louis Meyer and Andrew Rapiejko. Attending from Reh Associates (GeoTech Engineering) was Andrew Hotchkiss. Attending from Canyon Construction (Horizontal Directional Drilling, i.e., HDD) was Terry Gorsuch. Attending from FCR were Tom Allen, Barry Bryant, Chris Heine, Mike Hicks, Eb Redford and board representative Peggy Yotti. Board President Jim McCarthy was unable to attend due to personal matters.

We discussed possible pipeline routes and pumping related issues. Terry discussed details of using HDD techniques to bore underground for the pipeline versus conventional surface construction. SGM will investigate the cost for the various routes of using HDD vs surface construction. HDD is highly desirable for many reasons, but is costlier. FCRA would choose the ultimate route option based on cost and other factors.

Due to snow impacting the ability to inspect routes, the project deliverables deadline was extended to 30 March.

A joint FCRA/AWC/SGM meeting was held 31 Jan 2017 at the offices of Animas Water Company to review possible locations along CR 203 to tap into the AWC pipeline and technical water tap details.

Attending from AWC were Operations Manager John Ott, Consulting Engineer Cap Allen and board representative Ann Oliver. Louis Meyer and Andrew Rapiejko attended from SGM. Attending from FCRA were Barry Bryant, Chris Heine and Eb Redford.

We discussed the future need to negotiate water tap fees and possibility of AWC operating the new FCRA pump house system for a negotiated fee.

We discussed the four potential properties for an easement and pump house placement and any difficulties installing an AWC water tap. None of the properties present any issues.

We have contacted the four property owners FCRA has identified as possible easement opportunities. We plan to meet with one of the owners next week at SGM's office to discuss his property development plans and details of a property easement. So far, we have one property owner who is willing to grant FCRA an easement if we meet his demands. This is a work in progress. A lot depends on the selected pipeline route and method of pipeline construction.

Lot 17 Property Development

Eb Redford, Ray Smith and Mary Ann Bryant met twice with the selected builder (Mantell-Hecathorn) constructing a house for the new owners (Glover) of lot 17 to discuss a water tap, meter placement, construction details and timing.

A new meter pit, cover, meter and radio transmitter were purchased for this lot for \$1181 after the builder provided a check for same to ACC Co-Chair Mary Ann Bryant. This is the current cost for a new meter installation for an un-improved lot. Most of the material is available locally, but the Neptune meter and radio transmitter must be shipped from HD Waterworks Supply in Grand Junction, CO.

The related La Plata county building permit and FCRA ACC paperwork were signed by the Utility Chair.

Lot 30 water meter issue

The meter for this lot has stopped working. The meter is poorly located with access blocked by a large snow berm. Ray Smith has spent some time shoveling access to the meter and attempting to bring it back online. So far there are still issues. We will manually read the meter until the problem is resolved. We will consider moving the meter pit for better access next spring after the snow has melted.

6. OLD BUSINESS

Mike McQuinn presented a summary of proposed Rules and Guidelines for FCR Rentals which reflected input from residents. The proposal will again be attached to the minutes and distributed to the membership for their perusal. Any comments will then be addressed at the March Board meeting prior to voting.

7. NEW BUSINESS

Eb Redford gave an overview Constant Contact, a new email system which will be used to communicate with Ranch members. The first use of this system will be for the straw vote on the Metro District. All emails will still be generated with the FCR secretary's email address.

8. NEXT MEETING

The next Board of Directors meeting will be held on March 15, 2017 at the home of Jim McCarthy.

9. ADJOURNMENT

The Board, by motion duly made, seconded and unanimously approved, adjourned the regular meeting at 8:15 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.

Respectively submitted,

Deirdre Heine
Secretary
February 15, 2017