

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

February 3, 2014

A specially scheduled meeting of the Falls Creek Ranch Association, Inc. Board of Directors and the Utilities Committee occurred on February 3, 2014 to discuss water issues. The meeting convened at 6:10 pm. Present were: President, Mark Galbraith; Vice President, Lisa Hicks; Treasurer, Sue McCarthy; and Member-at-Large, Gale Marinelli. Absent was Secretary, Becca Steinbach.

Also present were Utility Committee members Eb Redford (Chair), Barry Bryant, Gil Davidson, Don Southworth and Mary Ann Bryant. Other residents present were Mike Hicks (Dam Committee Chair), Steve Allen and Kelly Lupton.

### **Water Supply Issues**

An overview of the FCR Water System was presented by both Eb Redford and Barry Bryant. Handouts provided described the upper and lower system locations, as well as the locations of the four wells, storage tanks, chlorine disinfection buildings and the electronic control system (SCADA).

Eb stated that all our well water levels have decreased annually for the last several years due to the ongoing drought. Recharge has been limited due to low snowpack and rainfall with well #2 being the most severely impacted. The SCADA system alerts Eb of problems in the water systems including low water levels, freezing temps, etc. Transfer of water from the lower system to the upper system has already occurred several times in the last year to maintain water levels in the upper system. A recent leak in the transfer line between the two systems has been located and will be repaired this week. (Note: this was repaired subsequent to the meeting.) Eb presented options for emergency water supply if needed in the future:

- Option 1 is to routinely pump from the lower (well #1) to the upper system (well #2). Well #3 is not typically used but can supplement well #1 if there is a mechanical failure in well #1. This requires more frequent pumping and the condition/life of the equipment needs to be considered as well as personnel time.
- Option 2 is to obtain water from Durango. Well on Wheels provides treated potable water for domestic use. This option might require new pumps be installed to fill the two storage tanks (upper and lower systems) from the closest fire hydrants. The cost for this service is 9-10 cents/gallon; the cost might go down to 7-8 cents/gallon depending on volume ordered. At current usage rates this would require several truck loads of water each day to fill our tanks on an ongoing basis. The heavy trucks could impact our roads. State guidelines would still require us to conduct our own water testing at various homes as is currently done by Ray Smith, as well as certify the State required level of chlorine for disinfection.
- Option 3 is a possible connection to the Animas Water Company if they have capability for more taps. Trenching and piping would need to be installed from FCR to the Animas Valley. Piping to our tanks and a large pump to send the water up to the Ranch tanks would be required. We would need approval from the Animas Water Company (AWC), applicable fees, approvals for rights of way and access over USFS land and various private properties. A

handout of the AWC fee structure was provided to the Board. Mike Hicks commented that Rege Leach, Colorado State Division of Water Resources, suggests that this may be the best long-term solution should the drought persist.

The discussion then proceeded to the issue of using Well #4. Eb provided a brief history of this well including the drilling statistics, aquifer source and the chemical analysis results taken after drilling completion as well as analysis results from testing conducted in Fall 2013. Clarification of “undrinkability” of the water as recorded in the October 14, 2013 Board meeting minutes was provided. While this water meets USEPA Primary Standards, it exceeds several Secondary Standards relating to taste and aesthetics. The water is not in a condition recommended for drinking or home use due to the high sulfate and dissolved solids levels (4 times higher than the Secondary Standards and twice the level considered safe for babies to drink). The hardness level is 7-8 times higher than our current water sources. The iron levels are 20 times the Secondary Standards and would likely lead to odors and staining of fixtures even with treatment. Treatment of these conditions is expensive and would actually require more water to backwash softeners and treat iron levels likely on a daily basis in each home.

Kelly Lupton asked about the possibility of drilling a new well #5 if needed. Drilling a new well would require the entire application, review, public comment and approval process of the State. Barry suggested we may first want to try remediation of well #2 to see if we can improve output for the long-term (15-25 years). This is the immediate problem.

The Utilities Committee recommends an engineering analysis be conducted to review well #2 for remediation possibilities and/or design a new system for improved life of well #2 including cost estimates. Mark offered to contact Animas Well Drilling for their review of this issue and recommended action. Sue McCarthy recommended that well #4 treatment and potential use be included in any review of our wells. Mike Hicks suggested that projected recharge predictions consistent with climate change be included in a review. He is working with Win Wright for the future dam outlet pipe placement as it relates to potentially lower lake levels due to low water recharge rates caused by continued drought.

The use of lake water and well #4 for irrigation was discussed. The lake water can be used. Until the lake level comes up, the pump can be placed further out into the lake and used by residents. The Utilities Committee proposed that well #4 could also be used for home irrigation purposes subject to some technical pumping restrictions. The suggestion was to run the pump for irrigation water once a week on a Saturday morning 9am – 12 noon to be manned by Ray Smith or volunteers for filling water tanks. The pump cannot be continuously turned off/on so it would just run for this whole time period. Someone would have to be there to assist the residents.

Additionally, the use of “gray water” was discussed for outside irrigation. For clarification, “gray water” is water already used within the home (bath, laundry or dish water, hot tub water) that has the potential for public health impacts (bacteria and other pathogens). This use is prohibited by State law. From the Colorado State University Extension website: “Gray water is different from warm-up water (wasted tap water that is allowed to run down the drain before it reaches a desired temperature). Warm-up water that has not been used for bathing or dishwashing is generally free from bacteria and other pathogens. The amount of wasted warm-up water can be significant in homes where water heaters are located a considerable distance from showers or tubs and where no recirculation system is installed. Catching this water in a bucket and using it

to water plants can contribute to home water conservation savings.” This latter use was recommended in the conservation tips for FCR provided to residents last year.

**Action:** Mark will contact Animas Well Drilling. Mike Hicks will contact his engineer colleague in Pagosa Springs regarding possible names of other engineers/firms that could help with reviewing our wells. The Utilities Committee will develop a scope of work for the proposed engineering review work for well #2 remediation options and possible domestic use of well #4.

### **Water Usage Rate Structure**

Based on discussion at the 2013 FCR Annual Meeting, the Board charged the FCR Utilities Committee to propose a potential rate structure for water usage at the Ranch and make recommendations to the Board for consideration. Such a structure would help FCR present itself as more comparable to other rural subdivisions if we could somewhat offset some portion of HOA dues. Water usage is already monitored and reported for each home and significant conservation efforts would continue to be expected.

Eb presented an excel spreadsheet template to the Board for a proposed billing structure. Discussion focused on a graduated usage scale with incrementally higher rates charged for higher consumption. This rate structure is intended to help promote robust conservation measures by all members. The intent would be to reward low users by applying a lower rate and incentivize higher users to conserve water via significantly higher rates.

Discussion also included the importance of the Board communicating the ongoing status of this plan and Board expectations of members to conserve water. It was agreed by those present that members are to be reminded of the division of responsibility between owners and the Association. That is, water pipes and connections beyond the meter, going toward and into the house, is the homeowner’s responsibility. All Ranch pipes up to and including the meter is Ranch responsibility. This is important for owners to understand their liability for cost of leaks within the home.

**Action:** Eb will email the template to all Board members for review and adjustment. Eb will also send Sue McCarthy an example of a general ledger. The Board will discuss further at a future Board meeting specifically dedicated to this issue.

The group then discussed the vision for the actual billing system. The Utilities Committee proposed one strategy: a base monthly fee to be paid by ALL lots (improved or unimproved) plus a monthly usage charge for actual amount of water used based on monthly water meter readings. They proposed the base fee could be paid at the beginning of the fiscal year for the annual amount. They also proposed the members would receive a monthly usage statement and bill for that usage. A monthly invoice would keep the message of usage and need for conservation upfront and continuous to the membership. This would eliminate the need for the monthly email usage message currently done by volunteers. Our volunteers would still have to take the monthly meter readings that would be on the usage invoice. The Utility Committee proposed this statement and invoice process be done by the bookkeeper or another billing agency – to not add workload to the Treasurer or other Board members. The existing USTI billing software owned by the Ranch would be used in conjunction with our existing Neptune meter reading software to generate invoices via email.

Sue McCarthy, Treasurer, presented her vision for how the billing could occur. She proposed we continue to send monthly usage statements to members, and send invoices on a quarterly basis. Late fees would be charged. This would help reduce the workload of processing and mailing up to 101 invoices to members each month. She supports devising a procedure through QuickBooks, the existing software used by the Treasurer and bookkeeper, thus keeping all FCR financial records within one system. To spread the workload more evenly, quarterly invoices would be sent in months other than high volume months in which HOA payments are due (August and February).

The group discussed options for possibly linking the USTI billing software to QuickBooks to maximize efficiency for payment options (checks, credit cards) and minimize the number and frequency of transactions. Accuracy issues make it advisable to enter data only once within any system; in this case, that refers to the amount of water used and the resultant calculated billing amount.

**Action:** Eb will contact vendors regarding options and costs for creating an interface for the above two programs discussed, as well as other software, and report this to the Board and Utilities Committee. The Board will further review and discuss before any decisions are made.

Discussion then focused on communications to the membership. It was agreed that several communications would be helpful over the next few months to keep the membership abreast of the ongoing planning process and the final rate structure and billing process once approved by the Board. It will be important to keep this topic in the forefront in preparation for the actual billing start date. Comments included the importance of keeping residents informed as the Board's decision-making progresses since we all will be affected by these changes.

**Action:** The Board will decide the final rate structure after further review and discussion. A note will be sent to the membership as soon as possible informing them of the current status of discussions and Board expectations of continued water conservation. Once the rate structure, software and invoicing process/billing schedule is decided and Board approved, that information will be shared with members. Sue suggested the billing cycle begin with May and June with payment due in July. Then the new fiscal year begins August 1 and the entire process can be announced and discussed at the annual meeting in July. Timing of these communications is critical since many part-time residents arrive on the Ranch starting in May and continue occupancy during months of typically high water usage (due to irrigation and guests).

The meeting adjourned at 10:00 pm.

Respectfully submitted,

Mary Ann Bryant  
FCR Utilities Committee  
(for Becca Steinbach, Secretary)