

FALLS CREEK RANCH ASSOCIATION  
ANNUAL MEETING  
July 12, 2008

Preliminary Matters and Remarks.

Pursuant to Notice duly provided to the membership, Association President Barry Bryant called the Annual meeting of Falls Creek Ranch Association (FCRA) to order at 9:10 AM, July 12, 2008, at the FCRA picnic grounds. President Bryant announced a quorum was present with 67 FCRA members represented either in person or by proxy. Board members present were: Barry Bryant, president; Mary Irby, treasurer; Jim McCarthy (Lot 63), secretary; and Eb Redford, at large. Board member Gale Marinelli, vice president was unable to attend. President Bryant announced that Ms. Marinelli had submitted her resignation from the Board.

Agenda 1. Agenda Approval, introductions and recognition of outgoing Board members.

By motion duly made and seconded, the Agenda distributed to the membership with the meeting Notice was unanimously approved with one revision: Agenda approval was added to the first Agenda item.

President Bryant introduced the Board members and thanked them for their hard work throughout the year. Outgoing or retiring Board members (Marinelli, Irby, and Redford) were presented with Durango dollars gift certificates on behalf of the Association.

President Bryant then asked new Association members present to introduce themselves to the Association.

Agenda 2. Approval of Minutes of July 2007 Meeting. State of the Association.

By motion duly made and seconded, the Minutes of the July 14, 2007, FCRA Annual Meeting distributed with the Notice of this meeting were approved as submitted.

President Bryant mentioned the deaths of Falls Creek Ranch developer Holt Wyckoff and his wife Charlene and asked for a moment of silence out of respect for all the Wyckoffs did for Falls Creek and its residents.

President Bryant then reviewed major FCRA accomplishments and changes during 2007/2008 including the following: paving of the Forest Service road; retention of Steve Bushong a Boulder, Colorado, based water rights attorney; improvements to the FCRA's irrigation ditches and operations; updated insurance coverage; revision of the Architectural Control Committee's Rules and Regulations; acquisition of a Forest Service permit to irrigate and hay the Forest Service property south of Falls Creek Ranch; clean up of the equipment shed; out sourcing bookkeeping; successfully dealing with

exceptionally heavy snow falls and related equipment malfunctions; and, substantial progress toward developing a Board and Ranch operations manual.

President Bryant mentioned the challenges facing FCRA during the upcoming year including: road improvements; upgrading the appearance of the ranch entrance; ongoing water rights litigation; signage improvements; haying the Forest Service property; and continuing work on the Board and Ranch operations manual.

#### Agenda 3. Utilities/Dam Committee Report.

Co-chair Eb Redford described the responsibilities of the Utilities/Dam Committee regarding the operation of FCRA's potable water distribution system and the irrigation of FCRA properties. Mr. Redford thanked all Utilities/Dam committee members especially co-chair Don Southworth for his extraordinary efforts with Ranch Manager Ray Smith in fixing leaks in difficult weather conditions. Mr. Redford also expressed his appreciation to dam manager Clyde Church for his continuing efforts and to Byard Peake for his extensive work with the FCRA irrigation system and ditches.

Co-chair Redford reported that FCRA potable water continues to be of high quality and has again received a waiver from disinfecting. Seven (7) water meters and backflow devices remain to be installed with completion expected during the upcoming year.

Secretary McCarthy reported that Boulder, Colorado, water attorney Steve Bushong has been retained by FCRA to represent the Association in regard to litigation filed by downstream rights owner Ed Zink. Mr. McCarthy indicated Attorney Bushong was in the process of reviewing and evaluating FCRA's legal position in relation to Mr. Zink's claims.

#### Agenda 4. Roads Committee Report.

President Bryant reported that Roads Committee Chair Steve Dowler has resigned and introduced John Ritchey who has agreed to serve as Roads Committee Chair. Mr. Ritchey thanked the Board for its support and reported significant progress has been made on paving the Forest Service road with completion expected by summer's end. Mr. Ritchey also reported that the winter's heavy snows and equipment malfunctions necessitated renting snow removal equipment at a cost of \$8,600.00 rather than the \$1,000.00 budgeted. Issues to be addressed in 2008/2009 include: removal of vegetation encroaching on roadways especially around blind spots; culvert cleaning; and replenishing fill dirt supplies.

#### Agenda 5. Common Property Committee Report.

Co-chair Jim Wallace presented the Common Property Committee report. He noted the efforts of all Committee members and especially co-chair Jim McCarthy (Lot 99) and the contributions made to maintenance of the FCRA common property. Mr. Wallace noted especially the fire mitigation efforts lead by Byard Peake in the area west of the stables

along Falls Creek Main, the meadow mowing performed by David Hardy and his crew, and the noxious weed spraying done by Bill Bales, Ken Marshall, and others.

Fire Wise Ambassador Byard Peake described the Fire Wise program noting wild fire checklists are available and fire maps will be available soon thanks to Eb Redford's efforts. Mr. Peake indicated reflective street numbers provided by LaPlata County would be available to residents after the meeting. He noted only the Mason Cabin fire road was open for use by resident in the event of a fire and the combination for the lock on the gate was unchanged. Mr. Peake encouraged residents to devise their own fire evacuation plans and emphasized the need to maintain a healthy and fire safe forest environment.

Mr. Peake introduced volunteer fireman and FCRA member Steve Gillis who described his role as a volunteer fireman and asked any one interested in becoming a volunteer fireman to contact him.

#### Agenda 6. Architectural Committee Report.

Chairwoman Kathy Redford described the approval process for constructing new improvements on FCR lots or remodeling existing improvements. She noted revised ACC Rules and Regulations would be available on the FCRA web site in two (2) weeks and thanked Secretary Jim McCarthy and Mary Ann Bryant for their efforts in revising the Rules and Regulations. Chairwoman Redford noted the Rules and Regulations apply to virtually any outside improvement and require filing an application with the ACC, submission and review of plans, and approval by the ACC and/or the Board. She encouraged members to call her or other members of the ACC before beginning construction.

Ms. Redford noted fifteen (15) projects had been reviewed and approved during the year and thanked the other members of the ACC for their help and efforts: Mary Ann Bryant; Carole Deterding; Mike McQuinn; Nancy Peake; and, Susan Ruggera.

#### Agenda 7. Horse and Corral Committee Report.

Bob Strachan on behalf of the Horse and Corral Committee reported the area looks beautiful. President Bryant noted FCRA has become the Forest Service's haying permittee for the Forest Service property south of Falls Creek Ranch. Lisa Autry has volunteered to take charge of the haying operation on behalf of FCRA.

#### Agenda 8. Lake Committee Report.

Chairwoman Robin Southworth reported the Lake Committee is researching establishing a second beach. She asked Association members to keep their boats in the designated boat storage area. She also requested that residents insure guests using the lake place notes in their windshields with the name of the host Association member. Ms.

Southworth indicated there would be no fish stocked this year but sand would be purchased and added to the beach.

#### Agenda 9. Beautification Committee Report.

Co-chair Nancy Wallace reviewed the status of beautification work around the ranch entrance. Ms. Wallace noted the Committee has two aspects: Falls Creek Ranch beautification and assisting residents with advice regarding drip irrigation systems; and, community service such as work on the Memorial Gardens near the Recreation Center and adoption of the new Forest Service road under the adopt a road anti-litter program.

Ms. Wallace thanked the committee co-chair Marge Rebovich, all the committee members, and assorted husbands who helped with various beautification projects during the year.

#### Agenda 10. Ranch Manager Liaison Report.

Byard Peake mentioned he replaced Doug Parmentier as Ranch Manager Liaison during the year. Mr. Peake emphasized the need for all residents to contact him before contacting Ranch Manager Ray Smith regarding FCRA issues. Mr. Peake thanked Ray Smith for all his efforts throughout the year and, on behalf of the Association, presented Mr. Smith with a check for a bonus and flowers for his wife Nancy.

In response to questions about the garbage dumpsters, Mr. Peake indicated each dumpster costs approximately \$176.00 per month and reminded residents to latch the tops during bear season. No recycling dumpsters are available locally but the City of Durango does provide recycling stations. President Bryant offered to provide hazardous waste disposal for residents in September.

#### Agenda 11. Treasurer's Report and 2008-09 Budget.

Treasurer Mary Irby thanked Robin Southworth on behalf of the Board and the Association for her great work as the FCRA bookkeeper over the past several years.

Ms. Irby reported that all FY 2007-08 assessments have been collected. As of July 11, 2008, FCRA cash on hand totaled \$85,945.27 consisting of the following accounts: operating account \$13,651.31; and, three (3) capital accounts totaling \$72, 293.96 (i.e., fire account, \$658.94; money market account, \$26,723.42; ING account, \$44,911.60);

Treasurer Irby reviewed the notes issued by FCRA to finance paving the Forest Service road indicating the twenty-two (22) notes are payable for the next three years beginning with FY 08/09.

Ms. Irby reviewed the 2008/09 FCRA Budget dated June 22, 2008, distributed with the Notice of this annual meeting and explained the increase in assessments was due primarily to the following: the Forest Service road paving notes; increased consultants'

costs; outsourcing bookkeeping; anticipated increases in fuel, oil, lubricants, and mag chloride; and an increase in the budget for rental equipment based on 2007/08 experience.

Treasurer Irby answered several questions regarding the proposed budget. At the conclusion of the discussion, a motion was made and duly seconded to approve the 2008/09 FCRA Budget dated 6.22.08 as presented. The motion passed unanimously.

#### Agenda 12. Election of New FCR Board Members.

President Bryant announced there are three (3) vacancies on the Board, two (2) for three (3) year terms and one (1) for a one (1) year term, the balance of Gale Marinelli's term. Three FCRA members have expressed a willingness to serve and President Bryant put their names in nomination: Doralee Matthews and David Hardy for the three (3) year terms and Mary Irby for the one (1) year term. President Bryant asked if there were additional nominations from the floor. There were none. Accordingly, by motion duly made and seconded, the membership unanimously elected Doralee Matthews and David Hardy to three (3) year terms and Mary Irby to a one (1) year term.

#### Agenda 13. Old Business.

The Association considered whether the trail between the picnic area and the lake should be improved and opened for member use as an alternative to walking on Falls Creek Main. After thorough discussion, a motion was duly made seconded and unanimously approved to improve the trail between the picnic area and the lake for use by Association members and residents.

#### Agenda 14. New Business.

Association member Warren Kerzon addressed the meeting regarding the Shed and Dumpster Tennis Club. Warren asked any member interested in joining the Club to contact him.

The membership discussed the Covenant prohibition of motorcycles and other non-traditional vehicles in light of increases in fuel costs and changes in types of vehicles available. A non-binding straw poll of members indicated little interest in changing the Covenant. A suggestion was made to name a working group to consider ways of dealing with non-traditional vehicles.

The membership also discussed the possibility of establishing a common garden. The matter was referred to the Common Property Committee.

By motion duly made, seconded, and unanimously approved, the meeting was adjourned at 11:55 AM.

Submitted by,  
Jim McCarthy, Secretary