

FALLS CREEK RANCH ASSOCIATION, INC.
ANNUAL MEETING
July 14, 2007

MINUTES

A total of 64 lot owners were represented at the annual meeting, 47 in person and 17 by proxy. The required quorum of 30% was satisfied. Board members present were Susan Ruggera, Gale Marinelli, Eb Redford and Barry Bryant. The meeting was held at the picnic grounds.

Byard Peake introduced Dan Noonan, Chief of the Durango Fire Rescue Authority, who covered the following key points:

The Chief recommended that everyone visit the FireWise website http://www.southwestcoloradofires.org/FireWise/pdf/Preparing_for_Wildfire.pdf and implement the appropriate guidelines to reduce potential for wildfires. Pre-plan for evacuation, know the safe zones, and review the standards for home protection.

An online survey will be conducted in the following weeks to get residents' input regarding fire district funding.

Dan also stated that the Tripp Creek fire exit is NOT available as an emergency exit due to the condition of the road and the many fallen trees there.

The Chief also described a data gathering project that the District is implementing which will improve future firefighting abilities. Called Red Zone Software, this data will allow firefighters to more rapidly assess wildfire conditions and plan their response actions. Byard Peake will accompany the data gatherers when they visit the Ranch, likely in August. The information requires no action on the part of homeowners and will not be shared outside the Authority. More detail is available in the Durango Herald article:

http://www.durangoherald.com/asp-bin/article_generation.asp?article_type=news&article_path=/news/07/news070617_1.htm

Susan Ruggera opened the meeting with an observation that this was the 25th Annual Meeting of the Falls Creek Ranch Homeowners Association (and noted that she was also on the Board of Directors at the first meeting in 1982).

Following are some of the FCR accomplishments of the past year:

- Substantial progress has been made in negotiations for our water rights.
- Significant improvements were made in the irrigation ditch system for the Lake Meadow.
- The Architectural Control Committee adopted a spreadsheet to track construction and renovation projects pursuant to the revised ACC Rules and Regulations.
- The Horse and Corral Committee installed new corrals and rejuvenated the stable area.
- An Emergency Fire Exit agreement has been signed with High Meadows and Red Ridge. The gate locks combinations are **2000**.

- The exterior of the ranch house was painted and a new two car garage constructed.
- The Utilities Committee negotiated an easement for a second electric power supply feed to the Ranch, to be installed fall 2007.
- The new well is on line, presently being used as a backup.
- FCR, the USFS and La Plata County have negotiated an agreement to pave the FS road and transfer maintenance to the county. The project has been delayed while the FS reviews comments and appeals received during the required public comment period.
- The ranch web site was moved to a new webhost for improved functionality and lower cost. The new site contains archived Board minutes, maps, member phone and address lists and the complete Member Information Packet. Log on to the site at www.fcrhoa.org, user name fcr, password fcr2007.

Susan thanked the many volunteers for all their hours of work. She emphasized how important volunteers are to the success of the ranch and that most often the work is fun and offers a great sense of camaraderie

The minutes of the July 8, 2006 Annual Meeting were approved.

UTILITIES COMMITTEE (Co-Chairs, Eb Redford and Don Southworth)

The Utilities Committee manages our drinking water system and interfaces with external utility providers. Eb is responsible for operations and Don Southworth for distribution. Byard Peake coordinates activities related to irrigation water.

Operations consist of managing the wells and the water level of the storage tanks. The SCADA system is a vital operating tool. It makes the operator's job easier and more effective and is invaluable for identifying system leaks.

Regular water testing is accomplished as required by the Colorado State Water Department. The tests confirm that the quality of our water is excellent and consequently the state does not require us to chlorinate.

A few leaks in the distribution system were identified and repaired during the past year. The aquifers received some recharge and are holding up well. The lower system is supplied by well #1 and the upper by well #2, both of which are operated by the SCADA system. The new well, well #4, is primarily a backup, operated manually. Well #2 is marginal and if it fails will be replaced by well #4, which will then be added to the SCADA system.

Eb described our application pursuing "absolute" water rights to replace our current "conditional" water rights for well #4. Our conditional water rights were granted by the Colorado Division of Water Resources while absolute water rights are granted by the Water Court. Absolute water rights supersede any conditional water rights. We filed in 2004, so our rights will be senior to the City of

Durango's recently filed recreational rights. Ed Zink, who lives on CR 203 adjacent to Falls Creek, objected to our application. We are currently negotiating with him to reach an agreement wherein he would withdraw his objection and we can avoid an expensive court proceeding. This agreement would take the form of a lake operating plan that will manage lake levels and discharges as a function of snowpack and rainfall measurements. This agreement will also likely require the installation of some water flow measuring systems below the dam.

Don Southworth reported that 90 % of the backflow devices/water meters were installed. Those not installed are located at homes built years ago and the water lines connecting to our main system have not been located, despite much probing and digging. They plan to purchase a special underground locator device that will be able to help find these plastic pipes.

Seventy nine of the installed water meters can be read with handheld electronic devices. The remaining meters have glitches that will be repaired. With the assistance of Carole Deterding and Mary Irby, several water meter readings were accomplished. With the reading devices, all the meters can be read while driving by in a car and all the homes completed in just thirty minutes.

The initial readings are the start of a database to analyze water usage. So far, individual household usage varies considerably, with irrigation likely the highest usage. Some excessive use has been recorded but could be attributed to system leaks rather than excessive watering. The data will not be published at this time. Homeowners interested in their water usage may call Eb Redford at 259-5671 for the information. The Committee will check with high water users to help identify any potential leaks in their systems.

Eb described the efforts to maintain our water rights from Falls Creek to irrigate the Lake Meadow. Due to the efforts of Byard Peake, Lisa Autry, Jackie Strachan, Dolph Kuss, Ray Smith, and others the Ranch was able to preserve these valuable rights. Byard Peake will head an Irrigation Subcommittee to continue to monitor our ditch irrigation system.

Bears: We have had numerous reports of bear activity this year. Please be very careful with outdoor uses of food, trash handling, and birdfeeders. Report bear contacts to Don at 259-6710, especially if the bear is a problem or has caused damage. Don hopes that early identification of a problem bear will prompt removal by the DOW, rather than extermination.

COMMON PROPERTY COMMITTEE (Co-Chairs Jim McCarthy and Jim Wallace)

Jim McCarthy informed us that the four main functions of the committee are:

- 1-tree removal, mostly beetle infested trees
- 2-mowing meadows

- 3-thistle and weed control
- 4-wildfire defense zone

Trees currently infested with beetles are the highest priority for removal. Call Jim at 247-5318 if you have infested trees. Spraying is also effective, preferably before July each year. If you prefer to have your trees sprayed, Ray Smith is certified and legally qualified to spray. The ranch will provide the chemicals but Ray charges a fee for his service, since it will be done on his own time. Do not call Ray directly but contact Ranch Liaison Doug Parmentier at 385-5739 to coordinate with Ray. There has been a great response from volunteers to help with tree removal. Cut trees must be sprayed and covered with plastic through the winter. They can then be used as firewood the following year.

David Hardy leads the meadow mowing team. Mowing is a key component of our weed control program. It takes about ten days to mow all the meadows.

Ken Marshall has led an aggressive spraying of thistles and weeds the past couple of years that has resulted in less spraying being needed this year. Thistle and weed control is government mandated. Ken keeps records of our spraying as proof of our control efforts. One result of those efforts was an \$1,800 cost reimbursement from the county. Most spraying has been completed for the year, with some spraying scheduled for the Fall.

Jim Wallace led a tree thinning project along Falls Creek Main last fall. He cut over 2,000 scrub oak trees, to the point of wearing out his saw. The Ranch may consider the purchase of a chain saw when this project continues again this fall.

RANCH MANAGER LIAISON (Doug Parmentier)

Doug Parmentier said it is great to work with Ranch Manager Ray Smith. Besides the work that residents observe Ray doing, there are many things he accomplishes "behind the scenes". The ranch is so nice a place largely due to the efforts of Ray and the many volunteers.

Doug reminded residents to contact him first when requesting Ray's services (whether Ranch work or private jobs) so that they may better plan Ray's schedule. Rays two main jobs are to maintain the water system and the roads.

Some other projects Ray has recently completed are locating and installing backflow device/water meters, water testing and reporting, repairing frozen water lines, dam maintenance, installing the new gate for the fire exit, expanding cul-de-sacs, irrigation ditch work, upgrading wells 3&4, and making repairs to the Ranch House.

Doug reminds new residents that driveways, including snow removal in the winter, are the homeowner's responsibility. Ray often begins snow plowing in the

middle of the night. Drive slowly and use caution when nearing the plow and grader. Make sure Ray sees you before passing. Exercise that same caution when approaching the dump truck or water truck, which are sometimes driven by volunteers.

It is bear season and especially important to put any trash inside the dumpsters and make sure you latch the lid. Residents should also break down large bulky items into pieces before placing in the dumpsters. Cardboard boxes should be broken down and recycled at the station behind North City Market in town along with other recyclables. Doug and Ray will investigate 'pusher poles' to better compact trash inside the dumpsters.

Phil Huss Jr. has been hired by the Ranch as a summer assistant to Ray.

Ray said he felt blessed to be a part of the ranch and that it was a privilege to live and raise his children here. The membership presented a bonus check to Ray Smith and flowers to Nancy as recognition for their important roles on the Ranch.

WILDFIRE DEFENSE ZONE COMMITTEE

This function has been transferred to the Common Property Committee.

ARCHITECTURAL CONTROL COMMITTEE (ACC Co-Chairs Mike McQuinn and Kathy Redford)

Kathy Redford reported that the Committee has been enhanced by the addition of several new volunteers this year. She reminded us of the need to contact the ACC prior to commencing any building, renovating, or landscaping activities that may affect exterior appearance. The Committee's revised Rules and Regulations are available on the Ranch website. The Committee maintains a spreadsheet to track the progress of applicable lot owner projects.

Kathy reported that the two issues of concern for this year are: complying with the intent of the Durango Dark Skies initiative (regarding exterior lighting), and screening/burying propane tanks to shield them from neighbors' view (to be completed by 12/31/2007).

Barry Bryant reported for Mike McQuinn on the status of the survey re-platting process with the County. The application has been submitted and reviewed by various County agencies and the County Surveyor. The Surveyor had several minor comments and one significant request that the Ranch survey and plat all roads (to show deeded access to all lots), mainly to achieve consistency with other more typical local subdivisions. Due to the potential cost and restrictiveness of this requirement we have appealed this decision and hope to get an answer soon.

HORSE AND CORRAL COMMITTEE (Co-Chairs Bob and Jackie Strachan)

Jackie Strachan reported that the corral area has been cleaned up and the pens enlarged. All associated electrical systems have been repaired and brought up to code. The west Lake Meadow is fenced in two sections with an east-west corridor between them for vehicle access. Ray Smith graded a turn-around drive to facilitate vehicles pulling horse trailers. Ray was a great help with the cleanup effort, moving a lot of debris to the slash pile. The Committee was also instrumental in improving our irrigation ditch system for the Lake Meadow this year, thus preserving valuable Ranch water rights.

Jackie invited all residents to visit the corral area and see the horses, but please do not try to feed them or open any corral gates.

DAM COMMITTEE (Chair Clyde Church)

Clyde Church reported that the dam is safe and issues with rodent control have been addressed. Clyde has worked with Eb Redford regarding development of a Lake Operating Agreement to satisfy Ed Zink's objection to our water rights application, with our goal to keep the lake as full as possible.

Clyde described an issue with the valve that controls water discharge through the dam. The valve cannot be completely closed, so it constantly leaks water out of the lake. Clyde plans to hire a special dive team to inspect the valve and make recommendations for repairs.

He also reminded residents that the Ranch has a pump and tank system that can be used to truck water from the lake to lots for irrigation purposes.

LAKE COMMITTEE (Chair Robin Southworth)

Robin Southworth reviewed the ongoing issues regarding uses of the lake. Chief among these are keeping the beach area clean, storing boats in the designated area, and unauthorized use of the lake. She requested all lake users to be considerate of others when visiting the lake. Susan Ruggera described use of a calendar on the bulletin board that can be used to plan for large groups visiting the lake.

Doug Parmentier warned against parking cars or boats near the dry hydrant area. This is a fire safety issue which jeopardizes all residents and will not be tolerated. He also stated that a kayak had recently been stolen from the lake, so everyone should lock or otherwise protect their property.

Don Southworth identified issues relative to unauthorized users at the lake. All Ranch residents should have current FCR stickers (or houseguest passes) on their cars and boats or risk having these items removed. If you have a new car

or a replaced windshield, get a new sticker from Warren Kerzon. Three boats have already been removed from the lake due to lack of a current sticker.

Robin Southworth also suggested ideas to alleviate beach congestion, such as expansion of the existing beach, adding a second beach, or designating a 'residents-only' beach. Please contact Robin with any ideas you may have so she can make a proposal for Board consideration.

ROADS COMMITTEE (Chair Steve Dowler)

Steve Dowler observed that the roads are now in good shape. He asked residents to extend any compliments to Ray Smith but direct complaints to him.

Last winter was mild enough to make snow removal fairly easy. When we again experience heavy snow accumulation, volunteer snow plow drivers will be needed to relieve Ray.

After the Spring thaw, some road sections will get new gravel. Cost prevents us from doing all the roads annually. Once the gravel is on and set, Mag Chloride will be applied, taking 2-3 days. Slow down and use caution when driving on the dry gravel or the wet Mag Chloride.

Speeding continues to be a problem with both residents and contractors.

Speeding is not only dangerous to people, pets, and wildlife, but it also damages the roads and thus requires more cost and repair work. The speed limit on Main north of Oakcrest was reduced to 15 mph at the request of residents along that stretch. Residents are reminded that speed limits are 15 mph on all tributary roads and 25mph on Falls Creek Main south of Oakcrest.

Two more cul-de-sacs were enlarged to provide an easier turn-around for the grader and emergency vehicles. Eventually, all the cul-de-sac and dead end roads will be reworked for improved turn-around capability.

Steve reported that the Forest Service road project will not occur this year. This is due to the lengthy FS comment and appeals periods, and the County's contracting schedule. The materials cost may increase even further when the project is completed next year. There is still strong support for the project by the Forest Service, LaPlata County, and the overwhelming majority of Ranch residents.

Steve noted that new tires have been purchased and installed on the grader. He also thanked Ray for all his hard work on the roads and thanked all the volunteers for their help.

BEAUTIFICATION COMMITTEE (Co-Chairs Marge Rebovich and Nancy Wallace)

Co-chairs Marge Rebovich and Nancy Wallace reported that the Committee has completed several plantings of native, low-water-use plants near the Ranch entrance. David Krufft has volunteered to install a small drip irrigation system there to assist in maintaining plantings until they are firmly established. They also stated that they are holding off on any additional work on the circle until the road design plans are finalized.

TREASURER’S REPORT AND 2007-08 BUDGET

Mary Irby compiled next year’s budget but was unable to attend the meeting. Eb Redford compiled and presented the current Treasurer’s report as follows:

Falls Creek Ranch Operating & Capital Balances	Jul 8, 07
	<u>Balance</u>
1000 · 1st National Bank 300179	0.00
1010 · Special FS Bank Acct-Vectra	4,536.35
1020 · CD 22277	0.00
1100 · WF Op Acct 196-5291	0.00
1110 · WF Cap. Acct193-9854	0.00
1120 · WF Savings Acct. 3721	0.00
1300 · Vectra Bank Op Acct 5137	35,745.77
Operating Sub-Total	40,282.12
1310 · Vectra Bank Cap Acct 5145	22,118.35
1210 · Vanguard Cap. Acct. 8313	42,398.89
Capital Sub-Total	64,517.24
TOTAL	<u>104,799.36</u>

Eb briefly described the two draft budgets for 2007-08 that were prepared and distributed with the meeting announcement package. Tom Jones moved that we adopt the slightly higher Budget #2, and Byard Peak seconded. The motion was approved unanimously by the members. Thus the member assessments for 2007-08 will be \$2150 for improved lots and \$2050 for unimproved lots.

Eb thanked Robin Southworth for her volunteer work as bookkeeper for the Ranch.

ELECTION of NEW FCR BOARD MEMBER

Susan Ruggera is leaving the Board this year. Gale Marinelli informed the members that Jim McCarthy (Deer Trail Road) has agreed to have his name nominated to fill the vacant Board position. There were no further nominations and Barney Anderson moved the nominations be closed. The motion was seconded by Byard Peake and Jim was unanimously approved by the membership.

Gale thanked Susan for her time on the Board and presented her with a gift certificate, as well as a beautiful tiara and scepter befitting a queen.

OLD BUSINESS

Susan reminded us that speeding is still a problem. A form to report reckless driving is available. If you observe speeding or other reckless driving that you wish to report, call a Board member to obtain a form. The Sheriff will not get involved unless we identify and document problem drivers.

Susan also mentioned issues relative to nuisance dogs (barking and running at large). These issues are handled by the Common Property Committee which maintains files on violators. Ranch practice is to contact Animal Control to have problem animals removed.

Eb Redford requested anyone with historical photos of the Ranch to submit these to him to be added to our website.

Dick Patrick moved the meeting be adjourned. Clyde Church seconded the motion which was passed and the meeting adjourned at 11.40 a.m.

Respectfully submitted,
Barry Bryant, secretary