

FALLS CREEK RANCH ASSOCIATION, INC.  
ANNUAL MEETING MINUTES

JULY 14, 2012

Pursuant to Notice duly provided to the membership, Association President Mary Ann Bryant called the Annual Meeting of the Falls Creek Ranch Association (FCRA) to order at 9:00 a.m., July 14, 2012 at the FCRA picnic grounds. President Bryant announced a quorum was present with a total of 74 lot owners represented at the annual meeting, 43 in person and 31 by proxy. Board members present were President Mary Ann Bryant, Vice President David Rohdy, Treasurer Jim Wallace, Asst. Treasurer/At Large Kelly Lupton. Secretary Becca Steinbach was unable to attend and David Rohdy took notes in her absence.

President Mary Ann Bryant welcomed the residents and thanked them for attending. She reviewed many of the accomplishments over the past year and thanked all of those who have been involved in these projects. Some of these accomplishments included:

- Successful resolution of both water litigation issues
- Completion of the re-plat of several lots
- Execution of various policies required by CCIOA (Colorado Common Interest Ownership Act), most importantly the policy for Covenant enforcement procedures
- Development of a Planning Calendar for the FCRA Board, especially for future Boards
- A newly redesigned FCR website, which went live today. The website is [www.fallscreekranch.org](http://www.fallscreekranch.org). No User ID is needed; Password: fcr100
- Development of lease agreements for exclusive use of common property by specific members (i.e. the Horse Corral area)

#### 1. INTRODUCTIONS AND AGENDA APPROVAL

President Bryant introduced new members: Clint and Sherry Keith, Lot 54; Mike and Lisa Hicks, Lot 21; Phil and Debbie Boroff, Lot 40; Ron, Carla and Lori Shields, Lot 22; Christian and Jenny Holmen, Lot 34; and Tom Caputo, Lot 46.

By motion duly made and seconded, the Agenda distributed to the membership with the meeting Notice was unanimously approved as submitted.

#### 2. APPROVAL OF MINUTES

Past Board Secretary Doralee Matthews asked to amend the draft of last year's annual meeting notes. After these changes were acknowledged, by motion duly made and seconded, the Minutes of the July 9, 2011 FCRA Annual Meeting distributed with the Notice of this meeting were unanimously approved as amended.

#### 3. ARCHITECTURAL CONTROL COMMITTEE REPORT

Committee Co-Chair Nancy Peake introduced the other committee members. She reminded the membership that the purpose of the ACC is to help all lots adhere to our Covenants and that they need to follow the ACC process when home projects begin. Neighbor notification is an important part of this plan. She reported that all Architectural Control procedures can be found on the FCR website.

#### 4. BEAUTIFICATION COMMITTEE REPORT

Committee Co-Chair Marge Rebovich introduced the other committee members. She covered the following topics:

- The mission of the Beautification Committee is to keep the Ranch entrance presentable and beautiful
- The garden at the entrance is completely “unsupplemented” – meaning, there is no watering of the garden
- There is a new garden underway at the Fire Station, next to the new fire sign
- Marge reminded the membership of the need for fire mitigation and water zones near your house
- Marge also apologized for recommending Spanish Broom as a plant to use. It has been outlawed in several states due to invasiveness and volatile oils
- Thanks went to the Kileen boys and McQuinn boys for painting the rocks which identify plant names at the entrance garden
- Another upcoming project: establishing a “Bluebird Trail” on the Ranch, which would entail the placement of bluebird houses

## 5. COMMON PROPERTY COMMITTEE REPORT

Committee Chairman Jim Winzell covered the following topics:

- A contractor (Affordable Fellers) was hired, who started work last fall and through the winter on various forest mitigation projects. These projects will be finishing in the next few weeks, using the last of the grant monies acquired to-date by Judy Winzell
- Many homeowners have been taking fire mitigation seriously, working with both Judy and Jim to determine how best to execute mitigation projects on their lots
- They are applying for new grants, and FCR resident work hours go directly to the in-kind matching funds required for these grants. An example: for the Annual Ranch Clean-Up Day, 62 people participated, which resulted in over \$4,000 in in-kind matching funds for grants
- Please give Jim your input as to which areas on the Ranch need fire mitigation treatment
- Jim is looking for volunteers to help in repairing the dry hydrant at the lake
- Jim is also looking for volunteers to help with their on-going mitigation work – manual labor to help haul slash would be greatly appreciated!

Jim then introduced Judy Winzell, our Ranch Firewise Ambassador. Judy introduced the other Firewise Committee members, and covered the following topics:

- 2012 is the 34<sup>th</sup> year of fire mitigation efforts for FCR. As such, we earned an award which distinguishes FCR as a Firewise Community USA, one of only two neighborhoods in Southwest Colorado to earn this distinction
- We have received over \$50,000 in grant funding to-date
- The Committee has addressed numerous up-slope areas on the Ranch, as well as addressing the “tunnel-like” areas on some of our roads
- Judy is applying for \$203,000 in future grants. One is a “Stevens Grant” for \$128,000 to address the Forest Service areas along the west boundary of FCR (aka the “WUI” or Wildland Urban Interface) and a CSFS Colorado Forest Restoration Pilot Grant Program for \$50,000, as well as another CSFS WUI grant for \$25,000. A reminder, the Colorado State tax deduction for your individual property mitigation projects ends in 2013, unless our State Senator, Ellen Roberts, is successful in getting it extended
- There are numerous FCR resources available to the membership for mitigation projects, such as hiring Ray Smith to help (“Ray for Pay”), FCR chainsaws and other equipment. Refer to the Ranch policy for use of Ranch equipment by residents (on the website).
- Our current fire risk designation is still “Very High” and until we have significant monsoon rains, it will remain as such

- If anyone needs an assessment of their individual lot, Judy is your liaison for Durango Fire & Rescue, the Forest Service and the Bureau of Land Management, and she can help schedule an assessment of your lot by any of these folks
- Lastly, Judy reminded everyone to submit all your work hours to her, even for work done on your own lot, such as tree trimming, weeding, grass trimming, etc. as she can use all these hours for in-kind matching for grants, at the rate of \$21.36/hour

## 6. DAM COMMITTEE

Committee Chairman Clyde Church informed the membership that we passed our annual dam inspection and we are certified for full lake capacity. We only have our usual things to address, such as gophers and brush clearance below the spillway. They also noted some corrosion and a slight dip in the spillway pipe.

## 7. HORSE COMMITTEE

Nick Ritcher, speaking on behalf of Committee Co-Chairs Carol Ritcher and Barney Anderson, covered the following topics:

- There are now five horses at the corral year-round now, and consequently, the committee has build two new loafing sheds and installed new fencing to accommodate the new horses
- Nick & Carol Ritcher put in over 600 hours of fire mitigation work around the corrals, and these hours were provided to Judy Winzell for her grant matching requirements
- An invitation was extended to the membership to come down to the corrals and enjoy the picnic tables and horseshoe pit

## 8. LAKE COMMITTEE

Committee Chairman Steve Matthews introduced the other committee members, and then he covered the following topics:

- The following projects were completed – cleaning the boat launch area, mowing the lake trail and staining the picnic tables
- Steve thanked Mike McQuinn and Scott & Robin Southworth for all the work they have done on the beach area
- Steve also thanked self-appointed “Lake Guardian” Don Southworth for all his work, especially in addressing the trespassing issue
- Trespassing is worse this year than any other year. All cars parked at the lake MUST have either an FCR windshield sticker or a green hangtag for guests
- If you are using your boat/canoe infrequently, please store it away from the water’s edge in order to decrease congestion in the boat/canoe storage area
- Is there anyone out there that wants to donate a new emergency boat?
- There was no trout stocking done this year, due to tight budgets, but we hope to continue this next year
- Please do not throw dead fish on the beach!!
- A reminder to the membership to be aware of all the Beach Rules and the requirements for large group sign-ups (see the sign-up sheet at the mailboxes)
- Lastly, Steve reminded us that there is a bathroom located on the right side exterior of the equipment shed

## 9. ROAD COMMITTEE REPORT

Committee Chairman Barry Bryant thanked all the other committee members and then asked for volunteers to be the new Road Committee Chairman. He covered the following topics:

- This past year was a good year for road maintenance
- A reminder to the membership that there is NO PARKING at the dry hydrant
- Barry thanked Bill Rebovich for his help with the drainage mitigation issue in Dyke Canyon, near the intersection of Main and Snowshoe

## 10. UTILITIES COMMITTEE REPORT

Committee Chairman Eb Redford introduced and thanked the other committee members. He covered the following topics:

- A reminder to the membership that we have had very little snowpack and rainfall this year and asked that everyone conserve water. There is no way to know how much water we have available in our wells, but given the minimal snowpack and rain, we must be cautious
- Not much in the way of repairs to the water system this past year, but Eb is proposing that we add two new hydrants next year
- The SCADA system controls and monitors our water usage. There were several new software system upgrades this year
- For our Source Water Protection Plan (SWPP), we have applied for and received a \$5,000 grant, with in-kind matching. The SWPP addresses the safety of our watershed (essentially the ridges above Dyke Canyon) and identifies any risks to our water system. The primary risk to our water system is from fire (Eb is coordinating with Judy Winzell here). The SWPP is under development.

Eb then introduced Barry Bryant and Gil Davidson to discuss the Water Disinfection System, and the following topics were addressed:

- Barry thanked Eb for the hundreds of hours Eb has put into the planning of this system
- The disinfection system is required by State law, in response to an issue in Alamosa where one person died and 1300 people were sickened as a result of a water system that became infected
- FCR's water disinfection waiver was withdrawn by the State in May
- (See the drawings of the system that were handed out by Barry at the Annual Meeting - attached)
- There will be two separate systems, one each for our upper and lower water systems. Each system will get a small structure to house the system, including related equipment, software and piping
- The initial cost submitted by the engineer was \$80,000. Subsequent contractor bids came in at four times that amount. By working with the contractors, the committee has since been able to whittle the final amount down to \$180,000, while not cutting any corners and doing the work properly
- A question from the audience asked why we don't do Figure 1 (as shown on the handout from the meeting), and Barry explained that this option is significantly more expensive than the option we are pursuing (Figure 3)
- A question from the audience asked if Well #4 will be included in the disinfection system, and the answer is "No." Due to the high mineral content of the water in Well #4, this well will be used as back-up only.

## 11. RANCH CARETAKER LIAISON REPORT

Byard Peake, FCR Liaison, thanked Ray Smith, Ranch Caretaker, for his work and expertise at FCR. Byard covered the following topics:

- Ray is available to help with any member's projects, but you need to work out compensation with Ray on your own. Please contact Byard first before hiring Ray to do any work for you
- Ranch equipment is also available for rental at hourly rates; refer to the Ranch equipment use policy on the website.

- Much of Ray's time is spent maintaining our equipment. It's very old, and we will need to build up a capital base to replace much of our equipment in the future
- Lastly, Byard wanted to have reflected in the meeting minutes that he irrigated for the month of May, per our water rights

At a later point in the meeting, Mary Ann Bryant thanked Ray Smith, along with his wife Nancy, for all the work they do for the Ranch. She presented to them flowers and a card of appreciation, including a bonus check .

## 12. WATER LITIGATION REPORT

Jim McCarthy (Deer Trail), serving as liaison between the Board and our water attorneys, discussed the following topics:

- Both aspects of our water litigation (our wells and our lake), have been resolved via a Court Order and a settlement agreement between FCRA and Mr. Ed Zink
- It was established that our well water is tributary to the Animas River (not from Falls Creek or from our lake). This issue was resolved in our favor, and no downstream users may interfere with the use of our wells
- With regard to the administration of our lake, Ed Zink (a downstream user of Falls Creek) had asked to have winter water rights. We made numerous offers of accommodation over the years. This issue was also resolved via the settlement agreement which will result in clear dam and lake operating procedures
- For more details on these settlement agreements, see the email from Mary Ann Bryant to the membership, dated July 12, 2012
- Jim received a standing ovation from the meeting attendees for all his work in resolving our water right issues

## 13. TREASURERS REPORT

Jim Wallace reported that 2011-12 was a very difficult year for FCR's finances. To date, we have depleted our cash reserves and will end the year with minimal dollars in the bank. This is due to the high cost of our water litigation legal fees, as well as the engineering support necessary for our water litigation. Additionally, there were additional legal fees required to bring our Covenants up to CCIOA standards.

Jim then discussed the financing options for our Water Disinfection System. Last year, we issued \$80,000 in promissory notes, and we are in need of an additional \$100,000 to cover the remainder of the cost of the system. Two options were considered for financing the remaining \$100,000, as follows:

- Option 1 – A one-time assessment increase of \$1,000 per lot
- Option 2 – Issue additional promissory notes totaling \$100,000

Per an email from Mary Ann Bryant to the membership (see her email dated June 24, 2012), Mary Ann requested feedback on these two options. She received 62 responses, and 85% of these responses preferred Option 1.

A motion was duly made and seconded to approve Option 1 and accept the FCR Budget for 2012-13. The motion passed unanimously.

## 14. ELECTION OF NEW OFFICERS AND RECOGNITION OF OUTGOING BOARD MEMBERS

On behalf of the FCR membership, Mary Ann Bryant recognized and thanked outgoing board member Jim Wallace as Treasurer. Mary Ann is also leaving the Board this year. They were both presented with a card of appreciation and a gift.

This presented the Board of Directors with two openings that need to be filled. Mary Ann called for nominations from the floor. Kelly Lupton nominated Jill Badalati, and David Hardy nominated Clyde Church. No other nominations were made from the floor. Accordingly, by motion duly made and seconded, a motion was made to close the nominations. By motion duly made and seconded, the membership then unanimously elected Jill Badalati and Clyde Church to a three (3) year term.

## 15. OLD BUSINESS

At last year's Annual Meeting, the following topics arose and were asked to be addressed:

- Restrictions on short-term rentals – The Board investigated this, and our Covenants currently allow short-term rentals. FCR's attorney advised that we not make this Covenant more restrictive, as it would be very difficult to enforce legally. Consequently, the Board decided not to move forward on changing this Covenant. This topic came up as a result of one lot owner who has been renting his home on a short-term basis, and there were some problems with a couple of his renters. The owner has been very cooperative in addressing this issue. Byard Peake suggested that a copy of all of FCR's Covenants, Rules & Regulations be posted at this house, and he was told that this is already happening.
- Replacement of the entryway arch – This project has been put on hold due to our current financial constraints.

## 16. NEW BUSINESS

Mary Ann Bryant reported the following New Business:

- The new FCR website is up and running. Please provide us feedback on what you think! Mary Ann thanked Jane Schultz for all the work she has done in running our website.
- The Division of Wildlife will give a talk about the Bear Study that FCR has been cooperating with. The presentation will occur on Friday, July 27<sup>th</sup> at 7pm at the Firehouse.

## 17. OTHER NEW BUSINESS

At this point in the meeting, the meeting attendees brought up the following topics:

- Marge Rebovich informed the membership that Durango Nursery will offer 15% off all purchases for FCR residents for one week this fall. Nancy Wallace will let us know what week this will occur.
- Jim Winzell reinforced the importance of the grant money we have been receiving. He asked that if any of us has a direct relationship with any of the appropriate government agencies that offer grants, please put in a good word for FCR!
- Kimberly Cunningham does home service for fourteen homes in FCR, and she has noticed a new problem with pack rats. Five of the homes she services have pack rats, so be on the lookout for them (under decks, in out-building, etc.). Keep the area around your home well cleared.
- Clyde Church asked if anyone wants to go in with him on a hydraulic truck trailer.
- Steve Allen announced that we need the help of all lot owners to address the noxious weeds that exist on their individual lots as well as the surrounding areas. Please contact Steve or Bill Bales for help with this. Also, there will be several mini work days occurring over the next several months. The first of these work days will be this Tuesday, July 17<sup>th</sup> at 8am at the corner of Main and Oakcrest
- Carole Deterding said we all owe a huge debt of gratitude to Mary Ann Bryant for the enormous amount of work that she has done on behalf of FCR as Board President for the past two years. The meeting attendees seconded this statement with a well-deserved standing ovation for Mary Ann.

## 18. NEXT ANNUAL MEETING

The next FCR Annual Meeting will be held on July 13, 2013 at 9:00 a.m. at the Falls Creek Ranch Picnic Grounds.

Mary Ann thanked all of the volunteers (with special note to many behind-the-scenes members) and the BOD for their hard work and many accomplishments over the past year. She also thanked the residents for attending the 2012 FCR Annual Meeting. Lastly, she encouraged all members – including all of our part-time residents – to get involved with the Ranch. Even those of you that are gone for many months of the year can get involved, and we can use everyone's help and support!

#### 19. ADJOURNMENT

By motion duly made, seconded and unanimously approved, the Annual Meeting of the Falls Creek Ranch Association was adjourned at 11:17 a.m.

This document constitutes a true and correct copy of the Minutes of the Annual Meeting of the Falls Creek Ranch Association, Inc.

Respectfully Submitted,

David Rohdy  
Vice President  
July 14, 2012