

**AMENDED DRAFT FALLS CREEK RANCH ASSOCIATION, INC.
ANNUAL MEETING MINUTES**

July 12, 2014

Pursuant to Notice duly provided to the membership, Association President Mark Galbraith called the Annual Meeting of the Falls Creek Ranch Association (FCRA) to order at 9:00 a.m., July 12, 2014 at the FCRA picnic grounds. President Galbraith announced a quorum was present with a total of 83 lot owners represented at the annual meeting, 48 in person and 35 by proxy. Board members present were President, Mark Galbraith; Vice President, Lisa Hicks; Treasurer, Sue McCarthy; and Secretary, Becca Steinbach. Not in attendance was At Large, Gale Marinelli.

1. INTRODUCTIONS AND AGENDA APPROVAL

President Mark Galbraith welcomed the residents and thanked them for attending. Lot Owners Susan and Joseph Scarpino were introduced along with new members Donna & Larry Hansen, 8961 Falls Creek Main; Jessie & Ed Kileen, 7954 Falls Creek Main; Deborah & Stan Rashkin, 65 Sunrise Lane; Paivi & Steve Shedd, 250 Rockridge Circle; and Sandra & John Turner, 130 Snowshoe were recognized. The Board of Directors was also introduced.

President Mark Galbraith presented the agenda for this Annual Meeting. By motion duly made and seconded, a revised order agenda was unanimously approved.

President Mark Galbraith reviewed the process for the Annual Meeting. There is a meeting facilitator who will keep the meeting on schedule. Committee Chairs will present up to 5 minutes, and member comments during the discussion period will be limited to two minutes each. All addresses to the membership will be made from the front if able to do so.

The President reviewed the FCRA business protocol. The Board of Directors meets once a month with an agenda posted the week before the meeting. Everyone is welcome to attend and input can be received by Board members.

Projects undertaken for the 2013-2014 year were reviewed. A Cured in Place Pipe was successfully installed in the dam's outfall line, the Hidden Valley road issue was addressed, and the FCR water billing system was designed.

2. APPROVAL OF MINUTES

The Minutes of the July 13, 2013 FCRA Annual Meeting distributed with the Notice of this meeting were amended. By motion duly made and seconded, the amended Minutes of the July 13, 2013 FCRA Annual Meeting were unanimously approved.

3. DAM COMMITTEE REPORT

Mike Hicks, Chairman, reported;

- The installation of the outlet CIPP at the dam has been completed
 - The installation was approved by the safety engineer
- The dam spillway project will begin mid- July
 - It will allow FCRA to accurately and consistently deliver water to downstream users
- The south side of the dam will be seeded in October, mandated by the State
- The annual dam inspection was July 8, 2014 and passed.

Mike thanked everyone on the Dam Committee. It was a huge undertaking of lowering a pump into the lake to get the water out. He thanked Clyde Church , Gil Davidson and Phil Boroff for helping and lending equipment for this project.

President Galbraith thanked Mike Hicks for his dedication with these projects and for bringing them in under budget.

4. ROAD COMMITTEE

Barry Bryant, Chairman, announced the Road Chairman position is available; contact Barry or a Board member to volunteer. Barry reviewed for the members there are 42 culverts and 7 miles of road in FCR. Points Barry covered are:

- It was a low snow year, spending was kept low
- The equipment will be used until it is non-operational. Equipment can be rented.
- Falls Creek Main and feeder roads receive magnesium chloride
 - If members wish to mag chloride cul-de-sacs, notify the committee by the end of February
 - The mag chloride needs to be paid in advance for cul-de-sacs or special applications
- Car stickers are required. Contact Barry for stickers
- Speed breaks up our roads. Drive slowly to save them.

5. COMMON PROPERTY

Jim Winzell, Chairman, informed the membership that the Common Property Committee has many sub committees. He thanked everyone who participates. The committee is in need of more volunteers. He reported:

- 52 people participated in the June 21, 2014 work day
 - Equates to 198 volunteer hours or \$4,441.
- Steve Allen heads The Chain Saw Gang
 - The gang identifies sections of the Ranch to be addressed, cuts, and cleans up
- Steve Allen will monitor the slash pile. It is at capacity now

- The committee hired an air curtain burner for a slash burn demonstration. It was very effective
- David Hardy organizes the meadow mowing
- Doug McCarthy is head of weed control.

Jim reviewed the beetle tree infestation process. Trees are first identified, taken down by the Chain Saw Gang. In the future, the Ranch hopes to get an air curtain burner, which will help destroy any beetles in fallen trees.

6. FIRE WISE

President Mark Galbraith thanked Judy Winzell, Fire Wise Ambassador, on behalf of the BOD for four years of effort. Judy presented to FCRA membership, for the third year in a row, The Fire Wise Community of the Year plaque. Judy thanked her team of Steve Allen, Sara Carver, Bob Fossum, Doug McCarthy, Mary Ann McCarthy and Bill Rebovich.

Judy reported Fire Wise Day, June 14, 2014, was outstanding. There was a live demonstration of firefighters digging trenches, helicopter water drops, and a demonstration of a fire engine pumper. Forty people attended.

Judy also reported:

- A grant application was submitted for the purchase of an air curtain burner
- Total fire mitigation grants amount covering four years is \$241,000 for 101.5 acres.

Judy encouraged residents to continue to report their volunteer hours to her. She uses this data when applying for grants.

7. ARCHITECTURAL CONTROL COMMITTEE

Mary Ann Bryant and Nancy Peake are Co-Chairs. Mary Ann reported the ACC is the only committee that has a number of members required by the covenants. Mary Ann reported the committee reviewed and approved 12 exterior projects during the last year. There are 9 open projects at this time.

Mary Ann asks members to read over the ACC rules and regulations before contacting the ACC. Also, let neighbors know of work dates that contractors will be on the Ranch.

8. HORSE COMMITTEE

Lisa Eckert, Chairman, reported there are presently 4 owners with 6 horses at the Horse Barn. The stables are full and there is a waiting list. Manure is being composted and will be used on pastures in the fall.

9. LAKE COMMITTEE

Barbara Belanger and Ceci McQuinn are Co-Chairs. Sue McCarthy reported. There was not a lake budget this year. The BOD approved allocating extra funds for beach improvements while the lake level is down.

10. BEAUTIFICATION COMMITTEE

Marge Rebovich and Nancy Wallace are Co-Chairs. Marge reported the committee maintains the entrance gardens. They are examples of xeriscape gardens. She thanked members Carole Deterding, Deirdre Heine and Bob Fossum. There is a need for more volunteers.

The Beautification Committee was charged with the issue of new entrance posts a few years ago. At that time, 50% of members who responded to the Committee's polling were in favor of the new posts and 50% were against. If there is renewed interest, the committee will look into this matter further.

11. LIAISON REPORT

Byard Peake, Liaison, explained all requests for Ray go through the Liaison; do not contact Ray directly. Ray packs the dumpsters on Monday. Thursday the green trash dumpsters are emptied, on Friday, the blue recycle dumpsters are emptied. The BOD approved an end of the year bonus for Ray and a gift for Nancy.

12. FINANCE TASK FORCE

Robin Southworth reported for the task force, which includes Ed Kileen. The Task Force reviewed Ranch needs and researched ways to finance those needs. As an HOA, FCRA is strong financially and banks are willing to lend to us. The Task Force will continue to look at how to finance projects. Members are welcome to join.

13. UTILITIES COMMITTEE

Barry Bryant, Committee member, reported. He thanked the committee chairman, Eb Redford, who has continued to devote uncountable hours of work on the committee. He also thanked the rest of the committee and teams; Ray Smith, Carole Deterding, Jenny Hardy, Shirley Jones, Jane Schultz and Mary Ann Bryant and Gil Davidson.

Barry reviewed the FCR water system on the Ranch. Significant events of the past year for the water system were:

- Launched 2 disinfectant systems
- Repaired one major leak in the transfer line
- Detected 2 major resident leaks
- Performed testing for ways to improve well #2 water flow

- Still investigating & monitoring well #2
- No significant water quality issues
- Limited testing done on well #4
 - Confirmed the water was potable but was hard and contained high amounts of iron along with sulfates

Barry shared future tasks for the Utilities Committee.

- Develop a plan to rehab well #2
- Initiate an engineering study to improve well #4 water
- Update SCADA radios and other equipment
- Move SCADA system computer to upper treatment building
- Replace one fire hydrant and lower tank sight gauge
- Prepare for triennial sanitary inspection.

Barry reminded members the Utilities Committee always is willing to help residents with water conservation problems.

The Water Billing System was addressed. Assessment fees were discussed at the 2013 Annual Meeting. The Membership recommended the Utilities Committee explore the feasibility of a water billing system. The Committee held many meetings going over data on FCRA water use, looked at other local HOA's water usage policies, researched water rates, rates for trucking water and tying into Animas Water Company. Records of this data are available to all members. Contact a Utilities Committee person if interested.

A model was then developed for a system with a monthly base charge plus a water usage fee. This water billing system was decided on for two reasons; (1) to reduce overall water usage, and (2) that every dollar of the base charge offsets HOA fees. Recommendations were given to the FCR BOD, meetings were announced to the membership and held and published via email to members.

Sue McCarthy, Treasurer, then reviewed the scope of the water billing system. A question and answer period followed, with a last call for questions. A motion was made that the Falls Creek Ranch Board of Directors' proposed implementation for a water billing system be approved to begin effective with the July 2014 invoice and owner payments due in the month of August 2014 as provided in the March 2014 FCR Potable Water Conservation Report to the membership. The motion was seconded and a vote taken. There were 62 for and 17 against votes. Motion approved.

14. TREASURER'S REPORT

Sue McCarthy, Treasurer, reported as of 7/1/14 the Bank of the San Juans' Operating Account balance is \$120,838. FCRA Reserve Account balance is \$115,000 for an account total of \$235,838. Sue reported:

- FCRA hired the accounting service of Elliott, Meadows & Associates.
- Clint Keith updated and enhanced FCR Website security and created a financial report menu for monthly P&L reports and Balance sheets
 - It is password protected for members only.

She reviewed the Fiscal Year for 2013-2014:

- Dam Projects:
 - CIPP dam repair was financed internally through the reserve fund (\$48,000) and \$11,000 transferred from the operating budget
 - Spillway Diversion Project was financed internally with promissory notes using comparable bank rates
- Thanks to Barbara Belanger and Ceci McQuinn who implemented our single stream recycling, reducing our monthly dumpster fees
- Thank you to the many members who made donations to our operating fund to help offset their volunteer opportunities
- Thanks to the committee chairs for keeping to their budget numbers.

Sue submitted the Budget for Fiscal Year 2014-2015, incorporating the Water Billing System for 12 months:

- The improved lot HOA fee is \$2820 and unimproved lot HOA fee is \$2720.
- We are required by our by-laws to have a reserve fund. This year the reserve fund has a separate budget from the operating budget. Income for the reserve fund this year will be 10% of HOA fee, an additional \$100/lot and variable income from water usage fees.
- Upon recommendation of our Financial Task Force, the BOD will hire a firm to conduct a 30 year reserve study.

A motion was made, seconded to accept the 2014-2015 FCRA Budget Proposal. In favor: 100% of attending members. Motion approved.

15. ELECTION OF NEW OFFICERS

There were two Falls Creek Ranch BOD positions for 3-year-terms and one BOD position for a 1-year-term to be filled. President Mark Galbraith called for nominations from the floor. Nominations for the two 3-year-terms were Deirdre Heine, Tom Jones and Ed Kileen.

By motion duly made, seconded and unanimously approved for nominations be closed for the two 3-year-terms. Vote was by ballot. Deirdre Heine and Tom Jones were elected.

President Mark Galbraith called for nominations from the floor for the 1-year-term for the BOD. Nominations from the floor were David Hardy and Ed Kileen. Vote was by ballot. David Hardy was elected.

By motion duly made, seconded and approved by the FCR membership, David Hardy will fill the 1 year term and Deirdre Heine and Tom Jones the 3 year terms as Falls Creek Ranch Association Board of Directors.

16. OLD BUSINESS

Mike Hicks reported on the proposal for an easement of a private road to cross the north end of Hidden Valley. FCRA organized with Hidden Valley residents and San Juan Citizens Alliance to research alternative routes. Through an authorized title search it was found that an existing easement was in place from County Road 203. This road request through Hidden Valley has been put on hold by the Forest Service.

17. NEW BUSINESS

Doug Parmentier explained an informational FCR text messaging notification system is available for residents. Please let Doug know of phone number changes or if you are a new resident and wish to be included. There are currently 200 people in the system. He also asked residents to be aware of non-authorized people on the Ranch. Doug has been asked by a number of residents to explore a safety security plan. Please email or call Doug for input. He will be working with the BOD.

Jim Winzell, Common Property Chair, has been notified that cut wood has been taken off the Ranch. The policy is for FCR residents only have access to cut wood. After July21, mitigation contractors have the responsibility to remove it.

Mary Ann Bryant informed residents that on Tuesday, September 2 the State Parks and Wildlife Bear Research Study Talk will be held at the Firehouse from 7pm-8:30pm.

Denny Ehlers suggested the Utilities and the Board actively look at tying into the Animas Water Company as a long term alternative for potable water.

Clint Keith and Jane Schultz were thanked for the continuing volunteer work they do for the FCR website.

Joan Heil addressed the membership on the possibility of letting residents ride motorcycles on our roads. She suggested we keep the entrance signs as they are, but consider allowing residents to have the choice for this more efficient transportation.

Charlie Holmes addressed the residents on the possibility of improving internet service on the Ranch. If interested contact Doug Parmentier or Charlie.

Jessie Kileen suggested the Ranch investigate ways to allow residents to capture rain water. The ACC, Utilities Committee and BOD stated the current Colorado law does not allow this practice.

President Mark Galbraith thanked all the membership volunteers who annually save FCRA hundreds of thousands of dollars in costs that would be otherwise outsourced.

18. NEXT ANNUAL MEETING

The 2015 Falls Creek Ranch Association, Inc. Annual Meeting will be held Saturday, July 11 at 9:00 a.m. at the FCR picnic ground.

19. ADJOURNMENT

By motion duly made, seconded and unanimously approved, The Annual Meeting of the Falls Creek Ranch Association was adjourned at 12:42 p.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,

Becca Steinbach
Secretary
July 12, 2014

