

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

A regularly scheduled meeting of the Falls Creek Ranch Association, Inc. Board of Directors occurred on May 17, 2017 at the home of Peggy Yotti. Present were President, Jim McCarthy; Vice President, Michael McQuinn; Treasurer, Larry Hansen; At Large, Peggy Yotti and Secretary, Deirdre Heine. Also present were Mike Hicks, Phil Boroff, Eb Redford, Paulette Church, Clyde Church, Chris Heine and Robin Lucie.

1. APPROVAL OF MINUTES

A motion, duly made to approve the minutes as amended of the April 12, 2017 Board of Directors meeting was seconded and unanimously approved.

2. APPROVAL OF AGENDA

The agenda was approved.

3. LIAISON REPORT

Mike McQuinn reported:

Our Ranch Manager, Ray Smith, performed the following tasks during the last work period:

- Collected and delivered water bacteriological samples
- Road grading and Mag Chloride application
- Repaired and replaced metal trash dumpster lids
- Obtained quotes for basement insulation in Ranch house

4. TREASURER'S REPORT

Larry Hansen, Treasurer, reported:

1. Current cash balances as of 5/16/17:

- a. Operating: \$221,954
- b. Reserves: \$103,079
- c. Grants: \$11,255 (\$20,600 pending from 2016 DNR Capacity Grant for Equipment)

2. First draft of budget is done. Pending additional input from Committee Chairs prior to finalizing. Major pending items:

- a. Estimated cost of Phase II ACW engineering study (and whether to continue next year or defer)
- b. Estimated cost to secure an easement and AWC water tap

- c. Underground water distribution system – Estimated cost of locating and repairing leaks, or engineering study for total replacement.

5. COMMITTEE REPORTS

FireWise Ambassador

The Board recognized Paulette for being presented with the second Challenge Coin ever given by Durango Fire and Rescue to a non-firefighter in recognition of her leadership and of the work FCR continues to do to improve safety for residents, neighbors and firefighters. Congratulations Paulette!

Paulette Church, reported:

While it was held May 6th, I am including the Annual Firewise Awareness Day event. We had just over 60 volunteers, including three volunteers from The Nature Conservancy wildland firefighter training program. FireWise of SW Colorado provided five sawyers, two from Klatt and Son Tree Service and three from Stateline Firewood so we were able to handle seven of the planned nine areas. The FireWise of SW Colorado also provided a match on the large chipper, which Clyde picked up Friday afternoon and returned Monday morning. With the chipper and the air curtain burner the sort yard crew under Chris Heine's direction kept up with all slash hauled there and we moved it Saturday afternoon and Sunday closer to wood piles on common property to continue work. There were no reported injuries of any type.

Here is an excerpt from Pam Wilson's, Executive Director of FireWise of SW Colorado (Paulette is a member of their Steering Committee), email sent Sunday: "I heard many of your folks say it was the best organized work day they had ever participated in so kudos to you (and Clyde) for all your efforts to pull the day together. I know others helped but I also know without the "driver" that some things just don't happen. Awesome Job."

The link to the article and photo from The Durango Herald is:

<https://durangoherald.com/articles/156437-residents-work-to-create-fire-adapted->

The April 8th Firewise Educational Meeting had a smaller number of homeowners represented but it was one of the best ones offered according to many in attendance. New Ranchers found it especially helpful. While it was painful and emotional for many to watch, the video of the Valley Fire from its beginning and showing the first 10 minutes of the fire, which was brought by Durango Fire Marshall Karola Hanks really brought home the understanding of how quickly a fire spreads through embers and firebrands and how quickly it begins claiming homes and other buildings. Paper compostable bags were distributed for pine needles and cones and a great potluck ended the gathering.

In preparation for the Firewise/Common Property workday on May 6th, Clyde Church selected four training videos on maintenance, safety, and use of chainsaws in combination with felling wedges. He and Paulette hosted two training sessions attended by all Crew Chiefs and other mitigation leaders, a total of 12 Ranchers. They also distributed some of the new kits of helmets with faceguards and ear protection, safety glasses, and chaps for volunteers planning to run chainsaws on the work day. Clyde sharpened and reconditioned three of the FCR chainsaws and built six “chokers” to use behind the RTV and his tractor to drag large slash and whole trees to the road to be bucked up there.

One focus in April was to empty the Sort Yard of slash, bags, and large stumps left over from last year or deposited during the winter and early spring. This necessitated hauling six trailer loads to the Durango Transfer Station in addition to using the ACB. This was finished on May 5th with help from the rented large chipper, which was able to handle large diameter rounds and larger slash. **Our committee’s suggestion is that we begin controlling access to the sort yard more closely. Now that we have a gate, we could prevent private contractors and others from dumping in our sort yard and keep it primarily for the use of those working on Common Property and FCR property owners working on their own lots as volunteers. We have never been able to control access in the past but we are now in a position to do so.**

We have been watching for a grant notice for the new funding designated for healthy forest restoration and fire mitigation, but have not seen an RFP as of this date.

On a side note, after touring FCR while the crews were working in seven locations, Pam Wilson and Steering Committee member Les Kole discussed funding sawyers for events such as ours next year for larger FireWise Communities. She didn’t realize the difference it made when a professional, young sawyer worked with volunteers on mitigation projects. It also enabled tree homeowner-funded mitigation work with the Share Program and the Colorado Mitigation Tax Credit. It is an agenda item for our FireWise meeting Tuesday morning.

I am continuing the conversation with the USFS regarding the liability concerns the Board, our lawyers, and insurer have expressed regarding the project. The Board and USFS are both willing to make some concessions but it remains to be seen if we can reach an agreement before September. At that point, if we do not reach agreement the funds will be returned to the federal government and re-allocated to another project, not in San Juan National Forest. The County has offered to provide two men and their large chipper in July to work in our Sort Yard on slash from along the road staying until all of it is chipped, so that does take major congestion off the road. It now appears that signage and cones may be all that is needed rather than flaggers. We didn’t use either Saturday and the prior notice to the Ranch of the work helped create safe driving around our work areas on the edge of the roads.

Travis Bruch is the USFS Project Manager and has 24 hours already allocated to supervision of this project. I am hoping we can amend the contract so that his title carries the burden of oversight and management of the project. It’s clear that all parties want

the work done as it can be a win-win-win. Reaching a compromise that limits the Ranch's liability is essential. *

It has since been determined that the Safe Passage Grant cannot be rewritten nor amended.

Architectural Control Committee

Mary Ann Bryant, Co-chair, reported via email:

ACC has two new projects bringing our current status to 8 active projects and 3 open, but inactive, projects.

Beautification Committee

No new business

Common Property

A June 10th Workday will be announced this week. It will include continued clean up from the April fire mitigation workday as well as Lake projects.

Water and Dam Committee

Mike Hicks, Chairman, reported:

Levels, Flows and Calls

Lake Level	Full and spilling slightly	
<u>Diversion</u>	<u>Ht. in ft.</u>	<u>CFS</u>
Outfall Line	0.82'	1.50 CFS
Spillway Diversion		2.00 CFS
Thompson Ditch Div. #2	0.60'	0.90 CFS
Thompson Ditch Div. #1	0.50'	<u>0.70 CFS</u>
Total Outflows		5.10 CFS

No calls are in place by Zink or the USFS.

Lake Pasture Irrigation

East Turnout	1.5 Weeks - Complete
Middle Turnout	1.5 Weeks – Near completion
Culvert Turnout	1.5 Weeks - Starts 5/9/17

At this point all levels, flows and irrigation plan are where they should be. Flows are at less than half of their peak of 3 weeks earlier.

Native Cutthroat Program – Fish Survey

Due to concerns by two residents, a meeting with CP&W was requested and held to explain and answer questions regarding the impact of water quality on the lake by allowing the use of a gasoline powered boat engine to set and retrieve nets used for the fish survey scheduled for May 2 and 3rd. Jim White, Aquatic Biologist for CP&W represented CP&W at the meeting. FCR residents attending the meeting were Scott Southworth, Mike McQuinn, Phil Boroff and Mike Hicks. Mr. White provided the study “Effects of Motorized Watercraft on Aquatic Ecosystems” prepared by researchers at the Wisconsin Department of Natural Resources, Bureau of Integrated Science Services and University of Wisconsin – Madison, Water Chemistry Program as the basis for his explanations. Mr. White applied the same methodology used in the study to the use of CP&W’s boat in our lake and determined that the amount of fuel released into the lake during the time their boat would be in the water, would result in a fuel particle count of 1 part per billion. Mr. White put that measurement into perspective with the following examples: 1 part per billion is the equivalent of 1 drop of ink in gasoline tanker truck or a pinch of salt in a 10-ton bag of potato chips. Mr. White also stated that the fuel is volatilized quickly. Another consideration is the turnover of water through the lake at the time of the survey of roughly 7,740,000 gallons per day, or 23 acre feet per day. (Mr. White used a calculation of 6 acre feet per day, but in fact, the output was double at the time.) Mr. White concluded that the use of a gasoline engine in the lake would have no impact on water quality.

Regarding CP&W’s boat and engine; the boat is washed each time it is removed from water to ensure that no transfer of marine organisms takes place. Also, when the boat was inspected several times by an FCR resident when it was used in last year’s survey, no leaking fuel was observed.

Please note that the use of the motorized boat to conduct the survey was approved by the BOD several weeks prior to the survey.

Mr. White went on to explain and answer questions concerning the Native Cutthroat Program itself including:

1. Cutthroat fish stocks – recently discovered aboriginal stocks will be used.
2. Rotenone treatment of the lake – One time with most likely time of application taking place in fall of 2019 or 2020. No effects on any animals other than fish.
3. Where and when rotenone has been used in our area. Numerous, including Hermosa Creek.
4. How often CP&W would need to use motorized boats on the lake – to conduct surveys up to the time of the rotenone application and install the fish trap, then seldom, if ever.
5. Trapping and spawning of the cutthroat, once a fishery is established in the lake – using a trap that can be placed permanently (can be used as swim dock) or removed. No motorized boats will be required.

The meeting concluded with all agreeing that the survey could move forward with the use of a motorized boat to conduct the survey. However, in the end, even though the data that would have been collected would be important, it was decided that the survey could wait until next year due to CP&W scheduling conflicts and other considerations.

It must be stressed that the Native Cutthroat Program is a multi-year, multi-step program with each step requiring evaluation by both CP&W and FCR to ensure that our lake will support the program and FCR continues its participation.

Zink Driveway – Falls Creek Archaeological Area

The San Juan National Forest Columbine District Ranger recently contacted me to help arrange a meeting of Zink Driveway Area Stakeholders to discuss options for the proposed Zink Driveway that would connect CR 205 to a thirty-acre parcel, owned by Zink. The parcel is located on the northeast side of the Falls Creek Archeological Area and is in close-proximity to Falls Creek Ranch. The proposed driveway would bisect the northern end of the Falls Creek Archeological Area east of CR 205, crossing Falls Creek and several trails. The driveway will require a special use permit from the USFS.

I have represented Falls Creek Ranch interests in this matter since learning about it in 2013. Previous boards have been opposed to the driveway, funding title research to demonstrate that Zink has access to his property via “Falls Creek Road”, a public road connecting CR 203 to his property. Zink maintains that the county will not issue him a building permit for his property using “Falls Creek Road*”, because it does not meet county driveway standards. Among other reasons, we maintain that under the county’s 2014 Resolution No. 2014-40, amending county driveway standards, Zink is entitled to a waiver of the standards. A waiver would allow Zink to use Falls Creek Road as his driveway, enabling the USFS to render a “No” decision to the

driveway special use permit and keeping the integrity of the Falls Creek Archeological Area intact.

The meeting is not a Public Meeting, though one may be necessary in the future.

Following the meeting, I will report back to the BOD what was discussed and what the next steps will be.

***Please note:** "Falls Creek Road is not connected to, nor is it a part of Falls Creek Ranch.

Horse Committee

Peggy Yotti reported:

Members of the Horse Committee have been spraying weeds, irrigating, and clearing downed branches from around the barn and in the pastures. We've also purchased and will replace eleven fence posts that have broken or rotted below the ground.

The Horse Committee would like to request the flexibility to change the number of horses allowed per household from 2 to 3 without exceeding the 8-horse maximum allowed at the stable. The Board expressed concern for the change and sent the request back to the Committee.

The Committee would like to include a PDF of the application paperwork to the FCR website and add a new document for incoming horse owners regarding additional operating costs per month to cover utilities and other ongoing expenses.

Lake Recreation and Beach Committee

Robin Lucie reported:

Jim McCarthy moved to appoint Robin Lucie as Chairman of the Lake Recreation and Beach Committee. The motion was seconded and unanimously approved.

Barbara Belanger has submitted her resignation as co-chair, but plans to continue as a member. Committee member Jessie Killeen has submitted her resignation from the committee but will continue supporting lake projects as her time allows. Robin Lucie plans to continue as Chair of the Lake Committee and extends an enormous thank you to Barbara and Jessie for their hard work and valuable contributions. We welcome any and all neighbors who are interested in being a Co-chair, a committee member, or a "friend" of the lake to help us maintain and protect this amazing resource.

The Lake Committee is looking to schedule a June 10th work day ahead of the busy summer season. We will post more information soon. Chairs will be moved to the Lake this weekend

(May 20-21). As lake usage starts to increase, the Lake Committee reminds users to become familiar with the rules, which were designed to ensure consideration and enjoyment of the lake by all residents and are posted at the mailboxes for easy reference.

Also, the Lake Committee is seeking lake user input on the subject of gasoline powered motor boat usage on the lake for purposes of the native cutthroat trout fish trial. We're interested in feedback as relates to swimming, boating, fishing, as well as general lake use. We plan to try and generate some discussion on the FCR Nextdoor app as well as posting a communication on the bulletin board and via old-fashioned neighbor-to-neighbor interaction.

Road Committee

No new business.

Utilities Committee

Eb Redford reported:

AWC/FCR Water Systems Connection Project Status Update

The final Engineering project analysis report was issued by SGM on April 28, 2017 and forwarded to the Utility Committee and Falls Creek Ranch Board. Five separate pipeline routes were identified with an estimated cost developed for each route. Each route requires an easement on property located along CR 203 in the Animas Valley for construction of the pipeline and installation of a pumping station to push the AWC water up the hill to the Ranch distribution system. Discussions with each of the 5 homeowners for a possible easement has begun and is ongoing. While four of the five owners expressed a willingness to work with the FCR, no definitive easement has yet been established.

The AWC Board met on Wednesday May 17, 2017 and set the water tap fee at \$100K (\$1K per lot) if Falls Creek Ranch decides to connect to the AWC water system. This tap fee would be part of the total AWC pipeline project cost. A Falls Creek Ranch Finance Committee was established by the Board to develop financing options and related costs to fund the AWC project if/when the project is approved by the Board and Membership.

FCR Distribution Systems Replacement Project

SGM was asked to develop a proposal to analyze the existing Upper & Lower distribution systems and develop a capital improvement plan with estimated costs to replace these systems over time. Their analysis proposal is for \$30K. The Utility Committee requested this amount be put in the proposed 2017/2018 fiscal year budget to be reviewed and approved by FCR membership at the upcoming July 15, 2017 Annual Meeting.

Lot 17 property development

The new meter installation was completed by Ray Smith on May 8, 2017. The excavation contractor cut two separate Century Link 50 pair phone lines. One was the main feeder cable to the Ranch PBX disrupting service to all Ranch houses using a landline phone or DSL based Internet connection. Century Link repaired both cables by early evening restoring service.

6. OLD BUSINESS –

The removal of beetle trees from private lots will be addressed in the Common Property Committee annual report.

7. NEW BUSINESS – No new business was discussed.

8. NEXT MEETING

There will be no Board of Directors meeting in June. The Falls Creeks Ranch Association Annual Meeting will be held on July 15, 2017.

9. ADJOURNMENT

The Board, by motion duly made, seconded and unanimously approved, adjourned the regular meeting at 8:45p.m.

10. Executive Session

The Board met to discuss a personnel issue.

This document constitutes a true and correct copy of the minutes of the Board of Directors Meeting of the Falls Creeks Ranch Association, Inc.

Respectively submitted,

Deirdre Heine
Secretary
May 17, 2017