

DRAFT-FALLS CREEK RANCH ASSOCIATION, INC.
2024 ANNUAL MEETING MINUTES
July 13, 2024

Pursuant to Notice duly provided to the membership, Association President Paulette Church called the Annual Meeting of the Falls Creek Ranch Association (FCRA) to order at 9:07 a.m., July 13, 2024.

1. Welcome and Quorum Confirmation.

President Church announced a quorum was present with a total of 70 lot owners represented at the annual meeting: 60 in person and 10 by proxy. Board members present were President, Paulette Church; Vice President, Mark Smith; Treasurer, Robin Lucie; Secretary, James Trammell, and At Large, Charlie Simons.

2. Introductions and Agenda Approval and State of the Ranch

President Paulette Church welcomed the residents and thanked them for attending. President Church introduced all the Board Members and noted appreciation to the one Board Member who will be leaving the Board this year: Mark Smith.

The President recognized and thanked our volunteers at the check-in table, our Vittles food committee and our Master Grillers Geary Baxter and Charlie Simons. The President welcomed our new Falls Creek residents which include 4 new owners: Justin Fletcher and Nicole Salafia, Luke and Rebecca Jaeger, Brandon and Chessie Hollibaugh and Kent Norgren. Paulette also acknowledged our new Ranch Manager, Bill Chambers, and invited members to introduce themselves if you see Bill around the Ranch.

President Church asked if any changes needed to be made to the agenda and hearing none, the agenda was unanimously approved as written.

President Church summed up the “State of the Ranch” with the following accomplishments:

- Paulette began by acknowledging the need for kindness within our community. This is such an important quality among neighbors. This includes driving slowly on our roads to protect members and wildlife.
- Volunteering – the need for more volunteering has persisted. We need many more volunteers on committees, workdays and events to help bring members together and help keep our operating costs down by preventing outsourcing of work. This is especially important for our fire mitigation efforts where one hour of volunteer work equates to \$34.36 value in “in-kind” matching funds for our grants. The more volunteer hours we have, the less FCR funds we need to spend on fire mitigation work.
- We are finishing three grants this summer with a smaller one continuing into next summer. We are also looking for new grants and funding sources.

- The Board noted all the members who volunteer and presented specific individuals with a Certificate of Appreciation:
 - Clint Keith – help with trails work and lighting/surveillance cameras at mailboxes.
 - Chris Heine – help with beetle management, the orchard, and our water wells.
 - Robin Lucie – works as our Treasurer spending many hours managing our financial challenges.
 - Joe Scarpino – help with Road Committee on chip seal project and hiring Ranch Manager.
 - Justin Poehnelt – manages our website and our trail work group projects.
 - Terry & Jonni Greiner – Vittles Committee leads; Jonni co-leads our entrance gardens maintenance.
 - Teresa Rushton – now a Master Gardener for FCR entrance gardens, our community garden and she has hand-painted our historic road signs around the Ranch.
 - Sara Carver and Doug Parmentier – over 20 years of volunteer service in various ways including community garden organizer and lead, Ranch Liaison, security, common property workdays.
 - Phil Boroff – Common Property Chair for many years; team leader for our Firewise and common property workdays.
 - Barry and Mary Ann Bryant – many years of Board service, Architectural Committee co-chair, Road Chair, Utilities Committee, governance advice and many Firewise workdays.
 - Mark Smith – Board service, Road and Lake Committees service, Ranch Manager Liaison and many common property and road workdays.
- Our Community Garden is now led by Teresa Rushton replacing Sara Carver.
- Common Property work includes 40 acres of beetle treatment to help keep trees healthy, two new grills (one at the lake donated by Jeanne Hennemann) and one purchase for the picnic area; we’ve used over 1,000 paper bags this year for needles and burning at the air curtain burner.
- A new Zircon storage container was purchased to house the supplies for the Vittles Committee so we no longer use members’ homes for storage of Ranch supplies.
- A new tractor, with several attachments, was purchased at a reduced rate of \$58,000 using grant funds and volunteer hours. The final cash cost to the Ranch was \$29,000.
- We have the logs ready for the front entrance installation which will be coming soon.
- We installed low lighting and surveillance cameras at the mailboxes during the last year for improved sight at night hours.
- We are planning to construct the needed access road to our upper water tank this summer. The County is finalizing lot adjustments to accommodate this change as well as near our fire exit road.
- The US Forest Service has officially designated our fire exit road as a permanent official emergency road for our and their use as needed for emergencies.
- Trespassers are still an issue, especially during the summer months, at our lake and on our roads. A recent theft of downed tree logs occurred on the Ranch with two trucks observed leaving the Ranch loaded with logs. This was reported to the Sheriff’s Office. If members see any suspicious activity on the Ranch, they are encouraged to get a photograph of the vehicle and the license plate, and report it to the Sheriff’s Office immediately.

- Homeowners' insurance is still an issue for some homeowners and home buyers. The County and the Governor's office are working on affordable insurance options for all communities. We are a Firewise USA Community which is helpful for owners and insurance companies to know.

3. Approval of Minutes for the 2023 Annual Meeting

By motion duly made by Barry Bryant and seconded by Terry Greiner, the minutes of the July 8, 2023, FCRA Annual Meeting, sent with the Notice of this meeting, were unanimously approved.

4. Election of New Board Member

President Church reported that one Board Member will be completing his term on the Board: Mark Smith. Mark Smith nominated member Justin Poehnelt. Mark has worked closely with Justin on various trail projects and is impressed by Justin's desire to work to keep improving the Ranch. President Church asked if there were any nominees in addition to the one who has been nominated to serve one open three-year term. There were no additional nominees. A motion was duly made to close the nominations and to approve Justin Poehnelt election to the Board. The election was unanimously approved by the members. President Church thanked Justin Poehnelt for being willing to serve on the Board and for his volunteer contributions to our trails team and website support.

5. Committee Reports –

The reports below were distributed to all members via email prior to the Annual Meeting. President Church asked for any questions, comments or suggestions related to any of our committees' work. Hearing none, Paulette introduced our Welcome Committee members Elaine Ehlers and Brigid Walsh to share information. Elaine explained the need for all members to have an FCR sticker on each owner vehicle, in the lower left corner of the front windshield. If you have recently replaced a windshield, you can obtain replacement stickers from this Committee. Elaine also explained the importance of using a guest day pass (yellow hangtag) for day visitors, and a houseguest pass (green hangtag) anytime your guests are on the Ranch. This is especially important at the lake this time of year to avoid any confusion or negative interactions. Lastly, Elaine noted that a new notification tag is available for any vehicles without a sticker or guest hangtag visible. These tags are available on the inside wall behind the mailboxes. Please take a couple to have in your car to be placed under the unknown vehicle's windshield wiper to inform them they are considered trespassing. Take a photo of the vehicle and license plate for the Sheriff's Office.

A second committee presentation was then made by Barry Bryant, Interim Chair of the Utilities Committee. Barry described the current year as a transition time period. Ray Smith, our long-time water operator, retired in May 2024. We have hired a licensed contractor, Tom Riley, who is now our Operator of Responsible Charge (ORC). Tom is responsible for all State public health legal compliance of our water system (sampling/testing/inspections/reporting/recordkeeping) and works with our Utilities Committee.

Eb Redford, our water system volunteer manager, friend and neighbor for 20+ years, passed away in June 2024. Our Committee is in the process of restructuring with new volunteers to learn the many aspects of our water system operations. We thank Eb and his wife, K, for the many years of dedicated service to the Ranch.

Barry provided an overview of our system. The bottom line is that we have lots of good quality water (snowmelt) in the ground that comes from the western side of the Ranch drainages. We have good water rights to legally use it but our ability to pump, store and distribute it is limited and approaching 50 years old. We need to plan better for future reliability of our infrastructure. Barry noted our committee volunteers and their roles:

Shirley Jones, Nancy Peake, Ran Willman – Meter Readers

Peter Sangas – Metering and Billing Process

Scott Silveira – Finance and Special Projects

Jayson Collins – SCADA and Electronics

James Glover and Hayes Lenhart – Technical Advice

Chris Heine – Wells

Mary Ann Bryant – Administrative support

Barry provided a brief background of our water system for residents: our water system is actually two separate systems (upper and lower) and is connected by piping that allows us to transfer water between systems if needed. We are a public water system and therefore operate under Colorado Department of Public Health and Environment (CDPHE) regulations. We have water rights from the Colorado Water Court and Consent Decree to operate our four wells, the source of which is melted snow from Dyke Canyon and the north Ranch drainages. We have two water storage tanks, two chlorine disinfection systems, miles of underground water mains, system meters, SCADA (system computer controls). Everything is getting older so we encourage water conservation (non-wasteful water habits) to help keep stress on our equipment to a low level.

Current Issues/Projects include a) replace household metering system to a cloud based technology, b) update water rate structure, c) replace pumps/motors in two backup wells (3&4R) this month, d) complete State required Household Water Service Line Inventory (need responses from members by 7/31/24) and e) we need a permanent Committee Chair and more volunteers to learn our system and help with operations and projects.

Future Issues include a) major rehab of both water tanks, b) drill a new well in the south end of the Ranch including water right application – this will be a long term project to get this well into production and incorporated into our distribution and treatment system and will be costly but will benefit the Ranch in the long-term, c) improve output capacity of our current wells where we can, d) separate out the water operating and capital budgets from the overall Ranch budget to clearly demonstrate the full cost of our system, and e) complete replacement of our entire system over some period of years in the future – how we plan and fund this.

The discussion was opened to questions from the members. Topics included:

- If the proposed new metering system has an alert feature to identify continuous or out of the ordinary usage in homes. Peter Sangas explained that only system managers would have access to alerts and data would be available every 6 hours. That way managers could observe unusual activity and contact homeowners as needed to identify anomalies sooner.
- Is watering from your home ok? Members may use potable water from your home but this is highly discouraged due to cost and a free alternative (lake water) is available to everyone. Our Utility rules currently allow 1,000 sq ft of irrigated areas on a lot but again this is discouraged. No sprinklers are allowed due to the potential for unchecked use.
- Members inquired as to Animas Water Company (AWC) status. Barry responded that FCR could purchase water from them via a constructed pipeline from the valley (\$2.5 million) but the cost was prohibitive so we looked more to our own wells. Barry stated that even if we did contract with AWC, we would still have to use our current distribution system and resources to distribute to homes. Chris Heine stated that our water supply is good, we have rehabbed Well 2 this year and that our wells are in stable condition now.
- Members inquired as to the best way to manage our water funds separately, acknowledging that water systems are expensive to maintain and replace. Many members voiced their concerns for the continued need to conserve (not waste) our water.
- Barry reminded members that we have good usage and billing data for the last ten years and encouraged members to pay attention to your water habits to maximize our water conservation efforts. Members are also reminded to turn off your water when you leave town to prevent any unexpected leaks, home damage and high water or repair bills.
- Discussion then turned to a proposed new water rate structure. A member requested any unpaid balances be waived if we adopt a new rate structure. The Board will consider that if we adopt a new rate structure.
- The Treasurer then presented the proposed increase in the base water fee for the water system. See Treasurer's Report below.

Architectural Committee – Mary Ann Bryant, Nancy Peake, Co-Chairs

The Architectural Committee (ACC) currently has six members: Mary Ann Bryant (Co-chair), Nancy Peake (Co-chair), Ginette Chapman, Erica Harrington, Linda Johnson, and Gale Marinelli.

The ACC reviews all exterior improvement projects of members' homes (renovations or new construction) as required by the FCR Covenants and ACC Rules/Regulations. ACC review and approval is required BEFORE any work may begin. If you're planning any kind of exterior project, please contact the ACC with any questions you may have. We respond quickly so we don't hold up your project.

If you have any contractors at your property for exterior OR interior work, please remind them to respect our speed limits, no smoking on the Ranch except in their vehicle and they are not to use our dumpsters for trash.

During the last year, we reviewed and processed 16 projects and had two new home construction projects completed. Currently, there are 14 open ACC projects on the Ranch. Let us know if we can answer any questions or assist you in any way.

Beautification Committee: Jonni Greiner, Teresa Rushton, Gale Marinelli

The Beautification Committee is responsible for the upkeep and planning of the 3 xeric gardens at the entrance to Falls Creek Ranch: the Sign Garden, the West Garden across from the sign and the Fire Station Garden. A concerted effort has been made to place and maintain waterwise Colorado and regional native specimens in these gardens, not only to beautify the Ranch entrance, but also to inspire our members and visitors with ideas on selecting flora for their own residences.

This past year, most of the plants that our garden creators, Nancy Wallace and Marge Rebovich, originally planted have survived and are flourishing. However, due to the ongoing drought in our area and the hot micro-climate that we have in these 3 gardens, we avoided planning any replacements this last summer. New specimens have come in and we are waiting for cooler, wetter weather to put them in the ground.

The biggest obstacle in maintaining these gardens is lack of bodies. Since Nancy and others have moved away and Marge has retired, there is a dire need for new volunteers to help us plant and weed. Last year, we were forced at Ranch expense to hire Columbine Landscaping to come out for the day for some intense weeding, but we would really like our members to become involved. This usually involves no more than 1-2 hours a week in the morning, after sending spouses out the door and kids to school. We also encourage kids who are free in the summer to join us.

Thanks to support from the Board, both Jonni Greiner and Teresa Rushton have taken and passed the classroom portion of the Colorado Master Gardener course and are working on their volunteer hours this summer to complete their certification.

The goal this coming year is to replace the pegged identification numbers located by many of our plants. We have discovered that most garden visitors do not look up the numbers with the corresponding plants on our FCR website. We would like to place on site identification names next to the plants, along with a QR code that can give detailed information about the individual plant. It is unreconciled as to the proposed design of the cedar spire located in the Fire Station Garden.

Common Property – Phil Boroff, Chair

Forest Management

- In accordance with the FCR-published Community Wildfire Protection Plan (CWPP), the CPC teams with the Firewise Committee and others to contract additional forest restoration toward well-spaced trees with an eye on diversity in age and structure to ensure long-term healthy forests, while mitigating fire danger.
- The CWPP is almost 13 years old and is in rewrite, but it reflects the founding principles incorporated to guide our efforts. Despite a bountiful winter, continued drought and infestation have been the impetus for greater resource requirements as many more of our

trees succumb to the elements, are unhealthy, dying and/or dead. Last year, over 21 acres were treated and forest density was reduced by almost 400 trees.

- FCR Member Volunteers also continue to inspect for beetle infestation and crews fell trees as resources permit. We are careful to take advantage of available manpower and expertise to simultaneously address beetle issues while simultaneously conducting restoration operations in the same areas whenever possible. Creating these efficiencies often results in not fully treating a given area at one time; however, careful tracking and documentation keep our efforts in line with the CWPP.
- While hiring a professional logging company is ideal, those resources have been difficult to acquire. Combined with winter weather effects, and few resources to help move the logs off the Ranch in a straight no-cost arrangement we are behind schedule for restoration efforts this year. We continue to explore other means as we progress. With the influx of grant monies and increased value of lumber, we've been able to hire contractors and contribute to local businesses and will need to continue this practice.
- This year's restoration effort continues in area 11 east and north of Oakcrest. Under Colorado State Forest Service guidance, the crew is presently addressing significant juniper and scrub oak understory propagation. The crew has also identified and flagged several ponderosa pines for removal while increasing current fire break effectiveness.

Weed Mitigation

- FCR continues to battle significant weed infestation. The CPC requests all residents to be aware of weed growth on and around their properties and mitigate as necessary. When mullein, hounds' tongue and thistle begin to flower, residents are highly encouraged to cut off the flowering parts and dispose of them to prevent weed proliferation. While La Plata County procedures allow for weeds to be placed in closed bags and put into our trash dumpsters, we strongly encourage residents to bag their weeds for air curtain burning.
- Our reduced use of commercial chemicals has increased the need for more volunteers to assist with manual weed mitigation. Although this approach is considerably less efficient, the benefits are appreciated. Additional help from the County Extension to help develop less chemically dependent methods is on-going.

Clean-up Day(s)

- We accomplished three cleanup days this fiscal year and we're planning additional clean up days each third Saturday of each month. Volunteer cooperation fluctuates by up to 50% on any given scheduled workday. It's always impressive to witness the FCR machine in action and amazing to see what we accomplish together.

Burn Yard

- Air Curtain Burner (ACB) operations continue to primarily dispose of pine needle bags. Slash is no longer routinely being accepted from residents in the burn yard. Slash will be chipped on common property and individual lots as residents move slash to the roadside.

As a reminder, only the designated crew on duty is permitted to put anything into or operate the chipper and ACB.

- Excessive runoff last year rendered the trees cut for the entrance plans structurally unsound but, we managed to incorporate them in our firewood for life program with local and regional organizations. The CPC has positioned several new trees to accommodate entrance planning and they have been placed on pallets in the burn yard for processing.

Dam Committee – Scott Southworth, Chair

Our 2023 Dam Safety Inspection, performed in August 2023 by the Colorado Department of Water Resources (CDWR), found all FCR systems well maintained, in good operating order & our Dam is authorized to operate at full holding capacity. Our 2024 CDWR safety inspection is scheduled for August and we expect a positive evaluation during this inspection.

Throughout the year, our Dam is maintained & operated by a committee of FCR volunteers including James Glover, Richard Paterson & Scott Southworth. In addition to regular, ongoing maintenance, the Dam committee controls water release rates to meet FCR contractual obligations. Current summertime water release from our lake is .25 CFS or approximately 1.1 million gallons per week.

Spring runoff from Falls Creek far exceeded expectations. As a result, our lake is full, irrigators had a successful spring, and the wetlands in Hidden Valley have flourished. All in, we have a really good chance to keep our lake full this summer. In the SW part of our country, this makes FCR one of the fortunate few.

Firewise Committee – Paulette Church, Chair

Members include: Phil Boroff, Clyde Church, Doug Parmentier, and Justin Poehnelt with support from faithful volunteers including Geary Baxter, Sara Carver, Barry and Mary Ann Bryant, Stevo Allen, Mark Smith, Joe Scarpino, and Chris Heine, to name a few.

This was a successful year for our fire mitigation work. Working with two matching grants, one state and one federal, and combining them with Ranch funds and volunteer hours we were able to hire a three-member summer work crew. We also hired a professional contractor for two weeks to take down several loads of logs from more difficult terrain. Our crew has been trimming up trees and removing oaks and white fir trees in our northwest area. We treated approximately 50 acres of Common Property, and a majority of residents did mitigation work on their own lots.

We supplied wood chips to the Community Orchard, FCR Garden, and the horse corral area. Approximately 1,000 bags of pine needles were gathered or dropped off and burned in our air curtain burner.

Phil Boroff continued to supervise our summer work crew so it worked within our grant areas as much as possible. Much of the work on Common Property is incidental, such as taking down and disposing of beetle trees, but it is essential to forest health. However, when it is outside of a grant Scope of Work, the Ranch budget is used to pay for that work.

Chris Heine contacted the Ranch when the beetles that attack Ponderosas and Fir trees began flying, so we began spraying ponderosas and installed bubble patches on the fir trees and built more traps. Residents can purchase the patches for trees on their lots and the Ranch is putting them on trees in Common Property.

Volunteer hours decreased this year to 1,989, valued at \$34.36 per hour to match grants, so FCR used more cash to do so. Having workdays the 3rd Saturday of each month helped with the volunteer hours but we are in great decline of volunteer support. The value of the hours worked this year is approximately \$68,340. We also had a disappointing turnout of 30 people at the annual Firewise Preparedness Day educational meeting with presentations from several partnering organizations. Falls Creek Ranch continues to be a model of successful fire mitigation leading to a healthier forest and we provided two conference presentations on our work and post-fire recovery.

We are finishing three grants this summer with a smaller one continuing into next summer. We are also looking for new grants and funding sources.

Horse Barn

Horse committee consists of all owners of horses

Jessie Kileen 2 horses - co-chair

Alix Rowland 2 horses - co-chair and treasurer

Pinky Harper - 1 horse

Karen Yates - 2 horses

The horse barn is full with 7 horses and runs smoothly. The horses are happy, each of them getting about 2 hours of turn out in the beautiful pastures each day. For the safety of all, we ask FCR residents to not feed the horses, never go into a horse pen, and minors under 18 need to be accompanied by an adult when visiting the horse area. If you see horses and riders on the road, please slow down and pass with plenty of room. When you encounter horses on the trail, remember the order of right of way. Horses have right of way over other users because of their tendency to be unpredictable. It's helpful if you meet horses on the trail to step off of the trail, a few paces to the uphill side, make sure the horses see you by giving a friendly verbal greeting. Sometimes people think they should be quiet and hide behind trees which can cause very startled or suspicious horses!

We would like to start offering some horse education free to the community. We will set our first date in June sometime. 3 people have indicated they are interested. If you would like to be involved, email alixbrowland@gmail.com

We replaced the metal roof on the hay barn in August thanks to the help of James and Isaac Trammell, Kent Norgren, Tammy Smith and Geary Baxter. This year we are looking into improving irrigation. Karen Yates is our irrigation representative.

The horse barn lease fee has gone up from \$2500 to \$3000. That is a one-time fee paid per horse when a new horse is accepted to the barn. If you are interested in having a horse at the barn,

please contact Jessie or Alix and we can put you on the waiting list. Currently no one is on the list.

Irrigation has been one of our challenges the last couple of years. One problem is that the orchard has too much moisture in it during the spring runoff and irrigation of the fields may make that worse. The orchard folks are working with us to help improve this situation, thanks to Jim Grizzard and Chris Heine for working on this issue.

July 24th, 2023 we had a second break-in at the barn. The first one was in May 2023 and appears to have been done by the same person due to the target of keys to the quad. The new security locks were damaged and an attempt was made to steal Karen Yates' quad. The incident was reported to the sheriff's office and they collected evidence left at the site. The perpetrator arrived on foot from the trail to the north leaving tracks on the trail and at the scene. This incident was extremely upsetting to all of us at the horse barn as it concerns the safety of our horses. We increased security with a second rebuild of the tack room door and more security cameras. There have been no further incidents. The two repairs and rekeying of the quad cost the committee over \$1000.

Lake Committee – Bonnie Bassett, Chair

We spread the new sand on the shady beach; it feels and looks wonderful. Jeanne Hennemann donated her grill to us, so we have a nice grill that will stay down at the lake. Robin is getting the propane tank filled; should be ready to use soon. We are planning to put a cleaning tool with the grill. Please clean the grill after you use it.

Scott had bunches of trout delivered to the lake last week. We are looking forward to celebrating Independence Day with all our FCR neighbors. Jonni and her Vittles crew are making delicious plans. Charlie and Geary will be behind the grill. Please bring a dish to share and join us July 4 at noon.

Roads Committee – Mark Smith, Chair

Our gravel roads held up well over the winter and were graded and repaired in May including the application of Mag Chloride to the more heavily used arteries. The chip seal on Main will be repaired at no cost to the Ranch in late June. We are not pleased with the amount of damage to the portions of Main between the entrance and Starwood or the portion between Snowshoe and Oakcrest. Those portions will be addressed with the contractor when they are here in June, our goal will be to make those portions more robust.

Bill Chambers, our new Ranch Manager, has quickly learned the subtleties of the road grader and is off to a great start. Thanks to Ray for all the years of service he provided. We wish him a fine retirement over in Arboles.

Utilities Committee – Barry Bryant, Interim Chair

Utility Team Overview – Thanks to all for a great job!

- Eb Redford served as Committee Chair for 20 years managing our water system operations, the SCADA system and served as FCR's Administrative Contact for the CO State Public

Health Dept. Eb retired from this role during the last year and the Committee is now in transition as we plan for the future. Eb, we thank you for your dedicated service to the Ranch!

- Shirley Jones, Ran Willman & Nancy Peake collect monthly water meter readings.
- Peter Sangas has worked with the meter reader team and preps the meter reader, processes meter readings and billing database reports.
- Durango based FredrickZink & Associates CPA, processes customer payments.
- NM based CPAs generate and distribute monthly water bills via email.
- Mary Ann & Barry Bryant handle homeowner water usage discussions. Over the last year, they have met with Eb to create a reference manual documenting the various operational aspects of our water system.
- Barry & Mary Ann Bryant, James Glover, Chris Heine, Hayes Lenhart, Peter Sangas and Scott Silveira have provided input and assistance during the past year.
- Ray Smith retired in May 2024 and we have contracted with a new Operator In Responsible Charge (ORC). Tom Riley is now our official water system operator, certified with the State of Colorado. Tom is responsible for all State regulatory requirements for managing our water system. These responsibilities include all water sampling/testing/reporting; management of our two disinfection systems; operations and inspections of our water infrastructure components as required by the State; coordinating system repairs with Utility Committee volunteers.

System Repairs

- A leak at the horse corrals was repaired this spring.
- A low water pressure issue was identified and repaired at a resident's home this spring.
- Upper & Lower system household leaks. Faulty toilets & running hose bibbs are the main culprit. Call for help if you have high water usage and suspect a leak. We can narrow down the leak location as to whether it is in your house or the service supply line outside from the meter to your house. Falls Creek Ranch is responsible for leaks in the service line from the supply pipeline to the water meter. The homeowner is responsible for leaks between the water meter and the house.

Water Disinfectant System

- There are two Disinfectant Systems on the Ranch. The Upper & Lower Treatment systems have continued operations without problems since the 1 June 2013 startup.
- Backup power generation systems were installed for the Upper & Lower treatment buildings in October 2015. They receive annual inspections and preventative maintenance.
- Each WTF (Water Treatment Facility) building has double check valves and back flow preventers that are checked annually by a contractor certified for that task. The contractor generates certification reports which are maintained in Ranch records for State inspection.
- CCR (Consumer Confidence Reports) reports detailing water quality are generated annually by our ORC. They are distributed each spring to the membership by our billing company included as an attachment to a water bill sent to all lot owners.

SCADA (System Control & Data Acquisition) System

- Water System operations are remotely monitored by our ORC daily via the Internet.
- The System controls Well-1, Well-2 and Well 4R, as well as tank levels. Well-3 is manually operated but feeds the lower WTF (Water Treatment Facilities) System.

Capital Projects

During the last fiscal year (2023-24), the following projects were completed:

- \$17,500 to rehabilitate Well #2 improving well function
- \$38,800 to add a mixer to each water tank to prevent winter freezing and tank damage
- \$15,000 (estimated cost for June-July) to replace the pumps in Well #4R and #3
- \$7,000 (estimated cost for July) to repair small leak in lower water tank
- \$6K to replace another aging fire hydrant (not installed yet)

Expected capital projects for fiscal year 2024-25 (if approved by the Board):

- \$43K to repaint the outside of the Upper and Lower water tanks (deferred from previous fiscal years)
- \$40K to drill a new well in the south end of the Ranch to supplement future potable water needs
- \$8K to replace and install another aging fire hydrant

Water Supply

The Water Supply Task Force began as a subset of the Utility Committee in 2019. Our charge was to investigate additional potential sources of potable water. This task force has ended and brought back into the Utility Committee team. With the installation and implementation of Well 4R and the plan to drill a new south well in the next year, we feel our water resources are in good shape.

Overall, our water source continues to serve us well as long as the snow falls during the winter, and we responsibly manage our usage and infrastructure. As our Ranch gets closer to full build-out, conservation of our water resources remains critical for the future. Our team thanks our members for their full cooperation.

Upcoming Projects

- The State of Colorado (per EPA rules) requires that all residences built prior to 1988 be inventoried for potential lead water service lines going into homes. This is part of a national public health effort to assure low/no lead service lines are within water systems. The Ranch main service lines are not lead and we believe no lead lines exist. However, we are required to comply with this State requirement and will therefore be conducting such an inventory of specific homes this summer. The data collected will be maintained by the Ranch and summarized results of the inventory reported to the State. We will need Ranch members' cooperation to complete this task.
- The Utility Committee needs new volunteers to help staff our Committee. We are asking members to volunteer for the role of Committee Chair and for others to learn various aspects of our water system to support the Ranch and work with our Operator in Responsible Charge. Please contact Barry Bryant for more information. We need your help!

Vittles Committee: Jonni Greiner, Chair

Members: Clara Allen, Geary Baxter, Mary Gilbert, Jonni Greiner, Terry Greiner, Teresa Rushton, Tammy Smith, Charlie Simons, and Susan Scarpino.

The Vittles Committee is responsible for providing nourishment for Ranch members and guests participating in Ranch activities. Those activities have included monthly workdays, annual meetings such as Firewise Mitigation and HOA, and social events such as July 4th at the beach and the Halloween Party.

This past year, we realized that we needed a permanent home for all the Vittles equipment and non-food provisions instead of at members' homes. To that end, with Ranch funds, we purchased a reliable, varmint-proof shipping container from Zircon, Inc. The 20 ft. shipping container was placed on the road above the Fire Station. Shelving and lighting were installed over the winter. There is also enough room to share with the Lake, Beautification and Community Garden Committees, and it became a perfect place to put the tubs of ice skates. The committee also purchased a new gas grill and a propane tank was donated to replace the aging grill. We would like to point out that the grill is available to members on request but needs to be cleaned by those members after each use.

Welcome Committee – Elaine Ehlers, Barbara Belanger, Brigid Walsh

Our small but friendly Welcome Committee has met once a quarter to discuss our main priority of warmly greeting new neighbors that have arrived since our last 2023 Annual Meeting.

Our process is to get Welcome Packets to new folks asap and schedule a convenient meeting time for one of us to visit to answer any further questions and help orient them to life at FCR. Also, we give new neighbors their official FCR decal for the windshields, their hang tags for House Guests (green) and a Day Guest hanging tag (yellow) to use when parked anywhere on FCR common property. We are also responsible for getting new car decals for residents that need them for their new vehicles.

Ranch Manager Liaison Annual Report – Mark Smith

As most everyone knows, Ray has retired and we have a new Ranch Manager, Bill Chambers. Bill is from central Utah and moved onto the Ranch in May. His background is in heavy equipment maintenance, repair and operation. Bill is a very skilled mechanic and will be a tremendous asset with regard to our maintenance and repair costs as well as the usual duties of the Ranch Manager.

Bill will also be taking on the Ranch Security role and has been active in that regard since his arrival. In addition, Bill will be coordinating the Wildfire Mitigation crews as Phil steps down from that role.

When you see Bill in the white GMC pickup with the FCR Security logo, stop and introduce yourselves. We feel we are fortunate to have such a professional and skilled individual as our new Ranch Manger.

6. Treasurer's Report – Robin Lucie

Robin presented the use of the water base fee revenue to water capital projects since the last base increase in 2019. All water funds have been used for water operations and water capital projects, sometimes exceeding our water-specific revenue. The Ranch hired SGM Engineering in 2018 to provide a review and recommendation for a replacement plan of our entire water system. They provided a 10-year plan with costs and the Board has asked SGM for an updated cost in today's dollars, separating out the line trenching costs and the equipment costs. We have completed some parts of the plan already (transfer line, two tank mixers, some hydrant replacements, tank repairs) but an update will help us plan timing and funding for the future. The Board expects the updated

report this summer. Robin also reported on non-water capital projects for the last year such as the road chip seal notes, new tractor, Ranch house repairs, and road equipment repairs. Generally, \$250,000 in capital reserves is a good amount so it provides funding for planned and emergent capital needs.

Discussion then ensued relating to the proposed water rate structure that was not in the original budget distributed to the members. The proposed rate structure change would increase the base to \$75 (for water capital reserves) and remove the dramatic increase in usage charge at the higher usage levels. The budget did include a proposed \$100/month water base fee that would be designated specifically to water system needs. Several members appreciated the proposed rate reduction for higher levels of water usage but voiced concerns that this would not encourage conservation. Several members want conservation while still charging for inappropriate high usage levels. It was pointed out that there is an appeal process to the Board for one-time leaks that are repaired. Charges for underground leaks that could not be known or prevented by the homeowner are typically waived by the Board as long as the leak is repaired promptly. Straw polls were taken by hand asking members their preferences related to a higher base fee and preferences on usage rates. The vast majority of those present supported the \$100/month base fee to improve our water reserve fund. The straw poll regarding usage rates showed a mixed result. After further discussion, the Board agreed that a Town Hall would be helpful to further discuss options for a new usage rate structure that would encourage conservation and still discourage high usage. The Board will schedule a town hall in the near future. Final resolution was that the current usage rate structure will remain in place until further notice and the base fee of \$100/month in the original budget will be acceptable.

Treasurer Robin Lucie called for a Budget Vote. As per Colorado’s Common Interest Ownership Act, we need to call for a vote to VETO the proposed budget, i.e., NOT to approve it. If it is vetoed, we default to the prior year approved budget. If it is not vetoed, we adopt the proposed budget. There were no votes to veto the proposed FY 2024-25 budget and it is therefore adopted. Robin also announced that she has ACH forms for assessment payments if anyone wishes to use ACH. The full Treasurer’s Report is below:

As of June 30, 2024, the Association’s Cash balances totaled \$226,641, as shown below. After accounting for anticipated July expenses, year-end total cash is projected to be \$170,000. Grant reimbursements between \$100,000-\$130,000 are being requested on current year costs that should be received by December, which would bring total cash balances within a range of \$270,000-\$300,000.

Operating Account	\$ 41,468
Capital Reserve	\$184,173 (includes \$50,800 in Vectra Bank 6-month CD)
Grant Account	\$ 1,000
Total	\$226,641

Fiscal Year 8/1/2023 – 7/31/2024 (existing budget year)

For the fiscal year ending 7/31/2024, expenses are forecast to exceed budget overall, primarily in the areas of fire mitigation, ranch manager compensation, ranch house maintenance and repairs,

and dumpsters. Fire mitigation expense includes costs related to contracting Fire Smart to do mitigation work on a steep area in the northeast corner of FCR abutting Forest Service land that was difficult and dangerous. Ranch manager costs involve important overlap time between our long-time ranch manager Ray Smith and new hire Bill Chambers. Dumpster expenses exceeded budget as monthly costs went up 20% since the prior year budget was prepared, plus the cost of 2 roll-off dumpsters during the year that exceeded our estimate. Ranch house cleaning, painting and repair costs ahead of Bill's arrival were not anticipated in the current year budget.

Capital expenditures during the fiscal year ending 7/31/2024 are expected to total approximately \$150k as listed in the budget report. Major projects include \$39k for new mixers in the 2 water tanks, \$32k in unbudgeted water system repairs (used budgeted tank painting funds for this), \$18k net cost for chip sealing Falls Creek Main after receipt of \$250k in loan proceeds, \$30k net cost of a replacement tractor after expected grant proceeds of \$34k, \$9k in repairs to the ranch house, as well as costs for hydrant replacement and initial stages of the approved log entrance. This exceeds the amount of \$102k that is allocated to capital from assessment and water billing income. For FY 2025, the Board has cut back capital projects to help replenish our capital reserves. Capital projects must have an expected useful life of more than 1 year into the future, and generally cost \$5,000 or more. Capital reserves are only used to fund repairs and replacement of existing capital assets. Purchases of **new** capital items are initially paid out of operating cash and then added to the list of assets for future replacement.

Huge thanks to all the volunteers who helped with the many projects this year, including transitioning of utility responsibilities (including search and hiring of a new water operator), chip sealing of Falls Creek Main, fire mitigation and common property workdays, ranch manager search and hiring, ranch manager house improvements, and the many invaluable hours of volunteer work done by all the neighborhood committees. Volunteer work significantly reduces our costs for projects that would otherwise have to be hired out.

Fiscal Year 8/1/2024 – 7/31/2025 (new budget year)

For the fiscal year ending 7/31/2025, the proposed budget shows no change in HOA dues, with a fee of \$3,300 for improved lots and \$3,200 for unimproved lots. HOA invoices will be issued in early August with a 30-day grace period. Residents can pay the annual assessments in full in August, or in 2 installments, with half due in August and the other half due in February. We encourage residents to sign up for ACH payment (sign-up forms are available at the meeting). You can also use your bank's BillPay service and have your bank send a check by the due date. For check remittances, please use the address of: Falls Creek Ranch Assn, PO Box 577, Durango CO 81302.

Fiscal year 2025 income and expenses are budgeted to be below current year, with a projected net operating loss of \$7.5k. Fire mitigation grant income and expenses are expected to be lower as several of our grants are closing out. With Ray's retirement, FCR contracted out the role of licensed water system operator, which results in additional cost. To offset the additional expense, all Committee chairs were asked to reduce their spending in FY 2025 by 10%.

Capital expenditures budgeted in FY 2025 include drilling a new well in the Falls Creek drainage area, an annual fire hydrant replacement, completion of the new log entrance, and additional repairs to the ranch house.

Proposed changes to our water metering system in FY 2025 will be presented at the annual meeting as our current system is being phased out by the supplier. Evaluation and testing of alternatives were still in process when the budget was distributed to the membership in the annual meeting packet. A new cloud-based metering system to replace our current system that is being phased out by the supplier is being evaluated. The proposed system relies on transmitters at each lot to transmit meter readings at a one-time cost of \$100 per lot (to be billed to residents), and FCR volunteers trained to install the transmitters will save the association \$75 per lot. The remaining cost of ~\$12,000 to purchase and implement the new system would be added to the capex list in the proposed FY 2025 budget.

7. Old Business

- Paulette summarized the newly approved Covenant 11 change related to short-term rentals and restrictions on renting owner properties. This new covenant is being recorded with La Plata County.
- Paulette reminded members that we now have lighting and surveillance cameras at our mailboxes. Members are responsible for tracking down their own package deliveries and picking them up promptly to avoid potential theft. We now have a permanent USMail driver, Sam, who we hope will improve mail delivery service for us.
- Thanks to all members who worked on the Falls Creek Main chip seal road project.
- The log entrance project is expected to be starting soon and will be completed this summer.
- Paulette reminded members to use the Volunteer Hours form for fire mitigation; the forms are found on the FCR website, Residents page – forms. The Board will provide copies of the forms at the mailbox area for members' use as well.
- Paulette noted the dead juniper snag at the Fire Station garden area could be cut down or chainsaw carved with some kind of forest/garden art ideas. By a straw poll of those present, there was a slight majority who favored chainsaw art, depending on cost. This would be funded by member donations. Paulette will continue to look into costs and asks members to let her know if you're interested in helping to fund this project.

8. New Business

- Board member Charlie Simons announced he attended a webinar hosted by our HOA attorneys, Altitude Law, regarding how an HOA can/should conduct member voting. A vote may occur in person (with yes or no response), or via US Mail or electronic voting. Voting periods may be 30 days or 60 days to allow more time to solicit votes but may not be extended past the stated deadline. Only the Board can contact non-voters to remind them to vote. The Board can solicit yes or no votes for a proposal. It was clarified that the Board may not share member information regarding voting status with other members. Our HOA attorney will provide the proper wording for this updated rule. The Board confirmed the final rules will be amended to our By-Laws after member notification.

9. Announcements

- Paulette announced new Committee Chair changes effective immediately:
- Barry Bryant is the Interim Chair of the Utilities Committee.
- Mark Smith is the Chair of the Common Property Committee.
- Joe Scarpino is the Chair of the Road Committee.

10. Next Annual Meeting

The next Annual Meeting will be held on Saturday, July 12, 2025, at the Falls Creek Picnic Grounds.

10. Adjournment

The meeting was adjourned at 11:41AM after a duly made motion, a second, and all approving.

Respectfully Submitted,
Mary Ann Bryant
FCR Volunteer