

**FALLS CREEK RANCH ASSOCIATION, INC
ANNUAL MEETING MINUTES**

July 13, 2013

Pursuant to Notice duly provided to the membership, Association President David Rohdy called the Annual Meeting of the Falls Creek Ranch Association (FCRA) to order at 9:00 a.m., July 13, 2013 at the FCRA picnic grounds. President Rohdy announced a quorum was present with a total of 74 lot owners represented at the annual meeting, 47 in person and 27 by proxy. Board members present were President David Rohdy, Vice President Kelly Lupton, Treasurer Jill Badalati, At Large Clyde Church and Secretary Becca Steinbach.

1. INTRODUCTIONS AND AGENDA APPROVAL

President David Rohdy welcomed the residents and thanked them for attending. He also presented a new agenda for this Annual Meeting. By motion duly made and seconded, the revised Agenda was unanimously approved as submitted.

President Rohdy introduced new members: Garrett and Brittany Sartori, Lot 26; Bryan and Lea Ann Vincent, Lot 91A; Charlie Holmes and Kitty Signs, Lot 23; James Grizzard, Lot 13A; John and Sena Davis, Lot 100A; Doug and Lisa Eckert, Lot 5; and Christian and Deirdre Heine, Lot 6A. Thomas and Marlo Flinn, Lot 93, also became full time residents this past year. The Board of Directors was also introduced.

2. APPROVAL OF MINUTES

By motion duly made and seconded, the Minutes of the July 14, 2012 FCRA Annual Meeting distributed with the Notice of this meeting were unanimously approved.

3. UTILITIES COMMITTEE REPORT

Eb Redford, Chairman, introduced and thanked the other committee members. Eb informed the membership on the completion of the water disinfection system:

- The cost to date is just under \$172,000.
- Construction was completed in early May.
- The system was operational June 1st.
- It is in compliance with the State.
- The SCADA system still needs to be moved into the fireproof buildings (it currently resides in Eb's basement).
- The membership is invited to tour the buildings and plumbing.

Eb, who is also in charge of Systems Operations, reviewed the operation of the FCR water system:

- Each home has an electronic water meter.
- Three volunteer FCR members read the water meters each month.
- Jane Schultz processes the data submitted by the volunteers from the water meters, enters the data on the computer system to a spread sheet each month.
- The spread sheet is sent to Utility Committee members and the FCR President via e mail.
- Each FCR member receives the monthly status of their water usage via e mail.

Eb is also the Administrative Contact for Colorado State Water Control. Ray Smith, FCR caretaker, is the official Colorado State Certified Water System Operator. Eb is a certified operator and is Ray's back-up. Ray takes water

samples, tests and reports results to the State. FCR residents receive a report of the results of the water samplings. In addition, Ray is the chief operator of the new Disinfectant System assisted by Eb and Gil Davidson.

Eb continued his report with information on the FCR wells:

- Three major water line leaks occurred this past winter and were repaired.
- The Upper system services 35 lots; the water level in this system was 11 feet higher last year.
- The Lower system services 57 lots and the horse corral; the water level in this system was 12 feet higher last year.

Barry Bryant, Utilities Committee Member, addressed the need to conserve water and will send a four page information packet to residents on conservation tips for around the home via e mail. He noted that irrigation use is the biggest problem.

After a discussion on the importance of water conservation, a motion was made, seconded and unanimously approved for the Board to commence a study of ways to institute water usage fees.

A member asked for information on well #4. Eb informed members that well #4 has an aquifer with a large amount of water. The water in this aquifer has higher mineral deposits and iron than our other wells and would require households to have a water softener. It was suggested that Utilities Committee come up with a plan for well #4 to become operational as part of our water disinfection system.

A motion was made, seconded and unanimously approved for the committee to research costs, develop a plan and a timeline to bring well #4 on line.

A well-deserved show appreciation was extended to Eb Redford for the hours and hours he has put into the water disinfection system.

4. DAM COMMITTEE

Mike Hicks, Chairman, reviewed what members of the Committee do:

- Members maintain an emergency plan for the county.
- Members maintain the dam Operating Protocol.
- Members interact with the Division of Colorado Water Resources on all water issues.
- Members monitor daily outflow of lake water.
- Committee ensures compliance with Zink water agreement.

Mike elaborated on the difficult process of maintaining the water level and of getting the water flow amount correct.

Mike shared that a document titled, "Turner Reservoir Dam Outlet Pipe Deformity" written by the Dam Committee, was sent to all FCR Members via email the first week of July. This document explains the outlet pipe problem at the dam. At this time, Mike reviewed the problem of the outlet pipe for the membership.

- A inspection by the State dam inspector revealed the outlet pipe has dipped 12 inches and could possibly be subject to failure.
- The Turner Dam is rated a high hazard dam by the State.

The next step will be to conduct an engineering study with a "real time" camera to look at the outlet pipe. In addition, a geo tech survey will provide information on why the pipe is subsiding and help determine if it will continue to subside. It will be an independent study costing approximately \$11,000. The study will be done at the end of July. Approximately two weeks after the study a report will be generated on the findings. If repairs are

needed, the current proposed solution will cost approximately \$65,000. The Committee will check into the availability of grants and low-cost loans for dam repairs as well.

If the current outlet pipe needs repair, it will require the outlet pipe to be dry at both ends and therefore the lake will need to be drained. David Rohdy, President, addressed the membership stating this problem with the outlet pipe is a health and safety issue and the membership was informed that the Board has already affirmed the need for this study. All agreed.

5. TREASURER'S REPORT

Jill Badalati, Treasurer, discussed the 2012-2013 Budget. The largest expenditure was the water disinfection system for \$180,000. Jill thanked Eb Redford, Utilities Chairman, for coming in under budget. Jill informed members of some unexpected expenses this last year; broken water pipes this winter, and a weir below the dam. At this time, she expects to end this fiscal year with \$40,000 in our operating account. This amount will be transferred to our reserve account.

Jill recognized Committees for keeping costs in line. Jill resigned the BOD and the position as Treasurer. David Rohdy thanked Jill for outstanding work as the FCR Treasurer.

David Rohdy, President, addressed the numerous comments made via e mail in the few days before the Annual Meeting regarding the BOD proposed budget for next year. He acknowledged there is merit many of the comments, but this feedback should have taken place in a more timely manner. David re-stated the position of the BOD. The Board wants to get our long term finances in control and in order, and as such has proposed a significant build-up of our currently depleted reserves. He noted that from 2006-2008, \$35,000-\$40,000 was deposited in reserves each year, and from 2009-2011 either \$10,000 or \$0 was contributed to reserves. As recently as 2009, we had \$142,000 in reserves, and we now have zero in reserve.

This year's Budget Option A (as submitted with the Annual Meeting materials) was reviewed:

- It provides \$5,000 more for weed and beetle control.
- The lake budget is \$1,000 higher; this committee had no money last year.
- A new fire hydrant was budgeted for \$1,000.
- A need for a Tuff Shed for storing FCR materials was budgeted for \$2,000.
- An increase of \$1,000 for our bookkeeper.
- The BOD recommends that a significant deposit be made to a reserve fund in order to put FCRA in a less risky financial situation than currently.
- Dues for 2013-2014 would be \$4,000 per improved lot.

David Rohdy then proposed the Budget Option B, taking in consideration the feedback the Board received in the last few days:

- The BOD would cut \$35,000 from the budget.
- The BOD would remove \$65,000 for dam repairs. Any needed repairs would then need to be funded from reserves.
- If the dam repairs are needed, we will again end next year with zero or very few dollars in our reserve account.
- This would reduce the budget by \$100,000.
- Dues for 2013-2014 would be \$3,000 per improved lot.

David then opened the floor for member discussion. After various proposals were heard, Budget Option C was introduced from the floor by Tom Jones. Compared to Option A, Option C would eliminate the \$61,500 deposit to reserve fund and reduce the operating budget by \$35,000. The dam repair would also be

removed from the operating budget and set up as a special assessment; the regular assessment would be \$2,400 per lot, plus a special assessment for the dam repair of \$650 per lot, for a total of \$3,050 per lot for the 2013-2014 year.

A motion was duly made and seconded to approve Option C. It was noted that the discussion on the budget is mainly a philosophical one on money management centered on the amount of money that should be maintained in reserves. After much discussion, Tom Jones withdrew his motion for Option C.

A motion was made and seconded to vote on Budget Option B for the Fiscal Year 2013-2014. David Rohdy called for a roll call vote for Option B. There were 80 votes; 77 Yes votes, 2 No votes and 1 Abstention for Option B. Option B passed as the FCRA Budget for 2013-2014.

6. ELECTION OF NEW BOARD MEMBERS

On behalf of the FCR Membership, David Rohdy recognized and thanked outgoing Board Members Jill Badalati serving as Treasurer and Kelly Lupton serving as Vice President.

This presented the Board of Directors with two openings that need to be filled. David Rohdy called for nominations from the floor. Sara Carver nominated Lisa Hicks and Clyde Church nominated Sue McCarthy. No other nominations were made from the floor. By motion duly made, seconded, the membership then unanimously elected Lisa Hicks to a three (3) year term and Sue McCarthy to a three (3) year term.

David Rohdy announced he respectfully resigns from the FCR Board as President. The BOD will decide David's replacement as President.

7. COMMITTEE REPORTS

Mary Ann Bryant, ACC Chair, reminded membership that outside changes to homes must have plans submitted to the ACC and seek approval.

Marge Rebovich introduced the EMT Instructor for the upcoming First Responder course. She invited members to talk with him after the Annual Meeting.

David Rohdy then asked if the remaining Committee Chairs would be willing to not make their committee presentations at this time because of time constraints and these Committee Chairs graciously agreed. David thanked Ray and Nancy Smith for everything they do for the Ranch. He thanked the BOD, and all volunteers on the Ranch. He thanked Eb Redford, Judy and Jim Winzell, Mary Ann and Barry Bryant, Bill Bales and Byard Peake for their continued efforts. David thanked Mike Hicks, Dam Chair, and Marge Rebovich for keeping safety issues on FCR in the forefront.

Lastly, the membership applauded David Rohdy for his contributions.

8. ADJOURNMENT

By motion duly made, seconded and unanimously approved, the Annual Meeting of the Falls Creek Ranch Association was adjourned at 12:35 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 13, 2013

