

**ARROWHEAD IMPROVEMENTS ASSOCIATION
BOARD MEETING
AUGUST 16, 2008**

President Leary called the August meeting of the AIA Board of Directors to order at 2 pm on Saturday, August 16, 2008, at the Arrowhead Inn. The following board members were present: Kathy Leary, Bruce Saunders, Rich Ostrom, Paul McDermott, Randy Touslee, and Sondra Clifton. Ralph Armbruster was away on business. Approximately 50 association members attended the meeting.

Order of Business:

1. Approval of minutes: Randy asked for any comments or corrections of the July board meeting minutes. None received, he moved for approval, Paul seconded, and the motion passed.
2. Financial report: Paul reviewed the financial statement for July. There are no significant changes from previous months to report. The association is pretty much on target for the majority of the budget areas, with the exception of previously discussed increased costs associated with the heavy snowfall such as fuel and employee benefits. If and when necessary, money will be reallocated from undesignated reserves to cover these overages. Paul moved that the July financials be approved as presented, Rich seconded, and the motion passed. At Ralph's request, Paul then discussed the need for a heater in the equipment building. Ralph has received a bid for \$4000. Paul moved that \$4000 be moved from Undesignated Surplus to Equipment Building Maintenance for the purchase and installation of the heater. Rich seconded and the motion carried.
3. Priorities: Bruce reported on the Board's continuing efforts to set priorities (Long Range Plan) for the Association. At this time we have five projects to be completed this year and another to be added for next year. First priority is to refine and clarify the roles and duties of the Security force. A committee has been working on this with a goal of writing a code of conduct, revising regulations, and redoing the job descriptions. Target date for completion of the committee's work is mid September. Second priority is construction of the RV dump station and parking lot bathroom. Construction on the septic system should start soon. See later discussion concerning a board decision about the bathroom. Third priority is improvement of the road system. Again, see the later discussion by Paul concerning the consultant we will employ to assess the roads and work with Will on implementing changes. The fourth priority has to do with our water system and the relationship with the water company. There is a long-term concern to upgrade and secure our access by partnering with Arrowhead Ranch Water Company and with Arrowhead Fire Protection District. Three paperwork/legal issues are just about finalized: a document between parties guaranteeing the delivery of water to Hazel Lake when available and as currently exists; the easement for access from the upper pump house down to Evergreen Lake for water company employees; and a modification of the existing document giving first right of refusal to AIA in case of future sale of the water company. Wording has been changed to give AIA eight months to construct a purchase of the company versus the present six months. The fifth priority is the ongoing discussion defining a job description for a community manager and finding a way to pay the expected salary. This is a difficult nut to chew, which explains why such slow progress has been made by this board as well as previous boards. A last priority has been added to form a committee to review and propose revisions to the Covenants.

4. Committee Reports:
 - a. Roads and Equipment: Paul reported in Ralph's absence. The board has decided to hire Tim Caton to act as a consultant to evaluate our road network and define a multi-year plan to improve the overall system. Tim has had fifteen years experience with Montrose County Road and Bridge Dept. He has already made several preliminary observations concerning grade, crown, drainage, etc, that seem very knowledgeable and affordable. Part of his responsibility will be to work with Will to make his recommendations happen.
 - b. Design Review: Rich has volunteered to lead the effort to review and propose changes to the covenants. Hiring of a manager to replace the committee has been proposed but was later put on hold. We are still looking for a person to fill the temporarily filled committee manager position. The board has decided that the parking lot bathroom will not be started this year because of cost/design escalation and budget concerns (see minutes addendum).
 - c. Fire Protection District: Paul reported that AFD is getting organized and is beginning work on the 2009 budget, the first year when they will have money from the tax district. There are strict state guidelines concerning dates and notifications of the budget process. Notification will be via Gunnison newspaper and fire station postings. First meeting of the workshop will be Sep 19 at 11 am.
 - d. Fire department: Bruce reported that Firehouse games and Pancake Breakfast would be Sep 30 at the firehouse. The emergency response plan with Gunnison County has been finalized so that Arrowhead residents should call 911 for all emergencies, not the previous numbers used.
5. Forest Mitigation: Bruce reported that work has been delayed due to other job conflicts but is scheduled to be completed by Sep 10, even if the contractor has to call in additional workers.
6. Arrowhead Lake Easement: Bruce reported that the party who purchased the property that includes Arrowhead Lake has asked through their lawyers if the Association would consider relinquishing or abandoning our access and parking lot easement (for recreational purposes) around the lake. The easement was originally between Jim Squirrel and the association, subsequently being transferred with the property when he sold it. The property is listed for sale again, and the owner is concerned about liability issues. There was public discussion and the general consensus was that we should not relinquish. A concern of members has to do with the restricted access from fencing and posting. Bruce will do further investigation and report back to the board.
7. Security: Kathy reported that things have been quiet. Only item to mention is that we are expecting new stickers (new numbering system), which will be phased in over time.
8. Email addresses: The board would like to accumulate as many addresses as possible to improve communication. Contact Kathy if you have not been included previously.
9. M&I: Sondra reported that nominations have been closed for the John Krall Award. Community clean up day has been set for Aug 23. Rock walls are an ongoing issue. Property owners not in compliance will be notified and asked to comply with the regulations. This is especially true if you have constructed a wall on common grounds.
10. Announcements: Mary Cockes announced that the snowmobile club is official, thanks in large measure to her efforts. Contact her for membership information if you don't receive an email. Pancake breakfast/Firehouse fundraiser will be Sep 30 from 8 to 10 am. The bake sale raised about \$2500, which will go toward the purchase of AED's. Finally, two board positions are up for election this year. Contact Kathy if you are interested.

No further business to discuss, Kathy asked for a motion to adjourn at 3:40pm. Bruce so moved, Paul seconded and the motion carried. The next board meeting will be September 20 at 2pm, to be held at Arrowhead Inn.

August Board Meeting Addendum

Addendum Number One to August Meeting Minutes

President Leary called a special meeting of the Board of Directors on August 23, 2008, after meeting the five-day notification requirement. All members were present at Ralph's house at 2pm with the exception of Bruce Saunders, who called in via speakerphone. The purpose of the meeting was to discuss the previous decision concerning delay of construction of the parking lot bathroom. After discussion of end of year budget projections and mandatory operations reserves, it was felt that the community expected the facility to be built this year and that we have adequate funds to proceed. A contract for construction of the septic system has been awarded to Pete Nauykos and work should begin soon. Engineered plans have been completed for the building and are available for prospective bidders. Several contractors have expressed interest in the project. The next step is for RFP response and evaluation, with a desired completion date of September 15. The board has the expectation that all work can be completed this fall.

Ralph moved that the board approve the above-described concept of action, with a goal of completing construction of the complete bathroom and trailer dump site using current available funds. Paul seconded. All present voted in the affirmative. Kathy moved to adjourn the meeting at 1630, Sondra seconded and the motion passed.

Addendum Number Two to August Meeting Minutes

A special meeting of the AIA Board of Directors was called by President Leary for Saturday, 08/30/2008, at 1000. The required five day notice was complied with. A quorum of four board members was present: Kathy Leary, Paul McDermott, Ralph Armbruster, and Randy Touslee. The meeting was held at the Armbruster home.

The purpose of this special meeting was to discuss and determine future action concerning violations of Association Covenants related to the separate garage living facility at 302 Hazel Lake. It was generally agreed that previous actions and an expired offer of compromise were not in the best interest of the AIA community and that a new tact was needed.

Ralph moved that a letter be written to Gunnison County Planning Department, notifying them of building and sanitation code violations and requesting their investigation and pursuit of remedy. Paul seconded and the motion carried. A letter of explanation of board action will also be sent to the owners of the property in question.

Kathy moved to adjourn, Randy seconded, and all voted in favor. Meeting closed at 1130.