

ARROWHEAD IMPROVEMENT ASSOCIATION

BOARD MEETING

October 15, 2011

The October 15, 2011, meeting of the AIA Board of Directors was called to order at 2:00 p.m. on Saturday, October 15, 2011, at the Arrowhead Inn with President Bob Hernandez presiding. The following Board members were present: Bob Hernandez, Paul McDermott, Rich Ostrom, Carol Flick, Larry Brustle, Al Hale, and Donald Koeltzow. Approximately 45 association members attended the meeting. President Hernandez determined that a quorum was present.

Order of Business:

1. Approval of the minutes: Donald Koeltzow stated that the draft of the September 17, 2011, minutes was distributed and asked if there were any questions, corrections, or additions. Hearing none, he moved that these minutes be approved. The motion was seconded by Paul McDermott and the motion carried.
2. Financial reports: Paul McDermott commented that the AIA checking account was a bit low because this was toward the end of a quarter. He stated that the total Liabilities contained a negative amount of \$29,000 due to the fact that the mitigation reimbursement had not been received until October. He stated that lot assessments were a bit ahead of the expected amount and that the Lien Account was higher than normal because several penalties had been paid. Under expenses, in Account 530, he commented that the Board was investigating the purchase of a replacement copier since our old one had become nonfunctional. He commented that the \$27,000 cost shown in Account 680 was for replacement of the firehouse roof. He noted that this cost was partially offset by the \$10,800 that AIA received from the insurance company. The remaining \$16,200 will be split between the AIA and the Fire Protection District. Paul McDermott asked for questions and comments. Hearing no questions, he moved that the September financials be approved. Carol Flick seconded the motion and the motion carried.

Paul McDermott also commented that the Board had developed a preliminary budget for 2012 which will be posted on the AIA website for owners to preview.

3. Management Reports:
 - a. Communications: Melissa Hernandez reported that, the past month has seen the October Smoke Signals published. The October edition of Mountain Living will be published on the website today, October 15th. Mountain Livings will remain a monthly feature. In addition, Alison Mims has sent her

the link to the NPS latest webcam that is from the Black Canyon showing Grizzly Ridge and the West Elks which can now be reached through the AIA website. Thank you to Alison!

She stated that there has been an increase of postings on the Message Board. This serves as the comments and editorials page of our website. She reminded everyone to remain civil when posting. Flames- postings that are rude or attack a group or person- will be deleted by our web administrator. She serves as the liaison between the public and the web administrator and she asked that owners please funnel their comments or concerns through her.

She stated that there was some concern over the AIA Board posting under the ID AIA Board. This has been allowed as the AIA Board is not an anonymous group. Should anyone not know who the current seven members of the Board are, they can be identified on the website under the heading of Board Business and Meet the Board. All Board members are listed there with their photographs and contact information.

Finally, she reported that there was concern over the increase in the number of mountain lions in the area which is a direct result of owners feeding the wildlife. She stated that salt blocks were illegal in Colorado and the Board agreed that a publicity campaign informing owners of the dangers involved with feeding the animals should be conducted. Ms. Hernandez volunteered to work with Dee Sedgwick to arrange for contacts in the Colorado Dept of Wildlife to provide this information.

- b. Design Review: Joyce Boulter reported that things were going smoothly. She stated that the Design Review Committee was going to send out letters to all of the owners who had received them earlier in May providing them with a progress report concerning the mitigation of their lots and reminding them that their mitigation has to be completed by October of next year.
- c. Forest Management: Bob Rosenbaum reported that he was going to write an article for the next Smoke Signals and the AIA website that would explain our beetle control program and what was collected in the traps this summer. He stated that the state entomologist had confirmed the presence of both Douglas fir and Engelmann spruce beetles at Arrowhead. He again announced that the cutoff date for ordering the MCH packs for next year was November 15th. These packs contain chemical signals that tell bark beetles (both fir and spruce) that a tree is infected and they should go elsewhere. Owners who wished to purchase them should multiply the number they wish to purchase by \$1.59, make the check out to the AIA, and give it to him. He will place the order and distribute them next May. He also reported that his brother was removing the beetle infested trees that were cut down last year, but he wasn't

- d. Security. Reinie Masanetz stated that the winter parking lot was open for vehicles today. He reminded owners that the speed limit in the winter was the same as it is in the summer and that winter parking lot rules would be posted in the next Smoke Signals. He reminded owners that all vehicles at Arrowhead need to have the yellow numbered stickers attached so that Security can identify the owners if needed. He also asked that owners leave spare keys to their vehicles with Security if they were planning on leaving Arrowhead for extended periods of time. This is to allow Security to move these vehicles if the parking lot needs to be cleaned.

- e. Maintenance and Facilities. Don Koeltzow reported that work on the firehouse roof was completed. He also stated that the joint County-Arrowhead project on the Alpine road included the installation of three new culverts and in excess of 40 loads of road gravel and that the plan is to complete this project by next Wednesday. He also reported that, thanks to the efforts of Rich Leary and Will Hobson, the County and Arrowhead have received another Federal grant of \$26,800 for 2012 to redo part of the Alpine Road south of the winter parking lot. This was approximately 30% of what was requested. We will be meeting with the County to decide how to best spend these funds next year.

Finally, Mr. Koeltzow reported that the Arrowhead snowmobile Club has received word that the grant funds for replacement groomers will no longer be available. This means that our Association will need to program in replacement of this vital piece of equipment. Last month, he gave the Board a plan for replacement and equipment needs for the coming years. A summary of this plan is as follows: We plan to keep the current 1982 dump truck as long as it is serviceable and replace it with a dump trailer on or before 2014. The estimated cost for such a trailer is \$9,000. We plan to replace the 1992 Frontend Loader on or before 2017. The estimated cost of this replacement is \$190,000 minus the trade-in value. We plan to replace our 2002 Grader in 2018 at an estimated cost of \$200,000 minus the trade-in value and we now plan to replace our groomer on or before 2019 at an estimated cost of \$150,000 minus the trade-in value. In all of these replacements, we are simply planning to upgrade to newer used equipment. In all cases, the timing of these replacements will depend on the operating condition of each piece of equipment as well as the market trade-in value. It is hoped that we can trade them in when the trade-in value is at least half of the cost of the newer equipment. If we can accomplish this, the total cost of our equipment replacement needs through 2019 is approximately \$280,000. Our current lease agreement on the grader runs for two more years at a cost of \$33,000 per year. Beginning in 2014, we will be able to apply these funds toward the

replacement of our heavy equipment which means that from 2014 through 2019, we will have a total of \$198,000. Our current equipment reserve fund contains \$60,000 for a total of \$258,000 that will be available. That leaves a shortfall of approximately \$22,000 that we will need to add to our equipment reserves between now and 2019 in order to maintain the capabilities that we currently have through 2019. He stated that all of these figures would be available for review by the owners in the draft of the minutes from this meeting.

5. Committee Reports:

- a. Fire Department: Brent Mims thanked the community for their support of the fire department. He stated that we now have 17 first responders trained in Arrowhead. He thanked Al Hale and Harley Wahl for their work in keeping the fire trucks in shape and he reminded owners that now would be a good time for them to clean the chimneys of their wood burning stoves and fireplaces.
- b. Fire Protection District. Kevin Stilley thanked John Cook and Ron Benson for their service on the Fire Protection District Board. He stated that they had developed a proposed budget for 2012 that was posted in the display case on the north side of the firehouse. He announced that a public hearing on the budget would be held on November 1st at 11:00 a.m. in the firehouse and the plan was to adopt a budget for 2012 on November 12th.
- c. Election Committee. Rich Ostrom announced that over 350 of the 799 ballots that had been mailed to owners had been returned.

6. Action Items:

- a. Authorization to Sign the Firehouse Lease with the Fire Protection District. Paul McDermott provided attendees with a summary of the history of the development of the new lease. He stated that the previous lease violated Colorado State Law in that it called for an annual payment of \$1,000 each year for 25 years. In order for this lease to have been valid, it would require the Fire Protection District to set aside \$25,000 in an irrevocable trust account. The new lease is renewable each year. It splits the costs of major repairs (those in excess of \$500) between the AIA and the Fire Protection District. When asked, Mr. McDermott reported that the lease did contain a provision for other Arrowhead groups such as the Photo Club or Book Club to use the facilities. Personal gatherings such as family reunions, wedding receptions, corporate gatherings, etc. are prohibited. However, these additional usages would be subject to Gunnison County Land Use Regulations and Stipulations in the Land Use Permit for this building. Mr. McDermott moved that the AIA approve and sign the lease for the firehouse to

the Arrowhead Fire Protection District. The motion was seconded by Carol Flick and the motion carried.

- b. Change of the Bylaws to alter the dates when the terms of Board members and Officers start and end. Bob Hernandez stated that, according to the current Bylaws, a Board member's term of office ends at the end of the calendar year of their last year in office. Also, newly elected Board members take office on the first of the year. There is a possibility that, during the period between the first of the year and the first Board meeting, the Association may not have officers to sign checks and pay need bills. In addition, since, according to current Bylaws, the new Board officers are elected at the last meeting of the year, those Board members who begin their term of office on the first of the next year cannot be chosen to be officers until serving a full year.

Therefore, Rich Ostrom moved that **ARTICLE 3. BOARD OF DIRECTORS**, paragraph **3.3 Term of Office**, be changed by adding as the second sentence, "The Term of Office will start on the date of the first Board meeting of a year and end on the date of the first Board meeting of the fourth calendar year." And that **ARTICLE 4. OFFICERS**, paragraph, **4.1 General**, be changed by changing the sentence, "All officers shall be elected annually by the Board at the last regular meeting of the calendar year and shall serve for an annual term of the next fiscal year." To, "All officers shall be elected annually by the Board at the first regular meeting of the calendar year and shall serve until the first regular meeting of the next calendar year." The motion was seconded by Al Hale and the motion carried.

7. Announcements from the Board.
 - a. Bob Hernandez announced that the meeting dates for Board meetings in 2012 would be January 21st, March 10th, May 19th, June 16th, July 21st, August 18th, September 15th, and October 20th.

He stated that the next Board meeting would beheld on January 21, 2012.

Finally he read the following announcement from the Board regarding the Amendments to the Covenants: "The Board wishes to emphasize the importance of the covenant revisions. We hope you get involved, research the facts and most importantly, take it seriously and vote. Please study the amendments and make an informed decision.

Each Board member's position is openly stated in the Voting Resolution. The Board unanimously recommends a vote FOR amendment 1 and the majority recommends a vote FOR amendments 2 and 3 as well. The amendments are mostly a clarification of what is already in the covenants and regulations and nothing more. It's that simple. Please review the voting resolution for more

details and compare the current covenants combined with the regulations to what is proposed. Some of this has been done in a posting, from the AIA Board, on the AIA Website Message Board.

The Board leads an Association dedicated to the preservation and quality of the very unique environment we have at Arrowhead. We are all members of this Association the minute we purchase property here and should have this same goal. We, the community, worked on these revisions for over 3 years. The Board has taken input from the community since last spring which has resulted in much better covenants. There is nothing hidden or devious in the proposed amendments. Some are upset that we didn't accept their recommended changes. As a board we have several guiding principles. The most important is our majority rule. The Board functions as a unit. Every decision to guide this Association is agreed upon by the majority of our Board members and I can say many are unanimous. The Board promises to respect the majority rule, to serve the whole community, and to set aside individual needs and desires. The Board pledges to follow, and I'll use the formal name, the Declaration of Protective Covenants and **Restrictions**, what we all call the Covenants, the Regulations, and the Bylaws. It was through this process with these principles that recommendations were accepted or left out.

Much time and thought has gone into the writing of these amendments by a variety of community members. Do the right thing, and cast your vote showing that you value your Arrowhead community and its ability to grow.”

8. Announcements from the Audience:
 - a. Dee Sedgwick advised the attendees of the increasing sightings of mountain lions in Arrowhead and he spoke of the example at Boulder, CO, described in the book titled “Beasts in the Garden.” People in Boulder began feeding the deer which increased their numbers and attracted more predators such as mountain lions. The mountain lions lost their fear of humans and finally attacked a jogger. He stated that he had been in contact with Kenneth Logan in the Montrose Parks Service and Mr. Logan had agreed to come to Arrowhead and provide information about how to live with lions and bears. A tentative date for this presentation is November 1st. However, owners should check the website for any updates. Additional information can be obtained from www.wildlife.state.co.us or by calling the Park Service at 252-6013. Melissa Hernandez stated that she has noticed that several owners have salt licks out for the deer and that these are illegal in Colorado. We all need to be more conscious of our actions and do everything that we can to maintain Arrowhead as a safe environment for both the people and the wildlife.

9. Adjournment: Rich Ostrom moved that the meeting be adjourned. Larry Brustle seconded the motion and the motion carried. The meeting was adjourned at 3:00 p.m. The next meeting will be held on January 21, 2012, at the Inn.