

**Arrowhead Improvements Association
Annual Owners' Meeting Minutes
Saturday, August 17, 2013
Arrowhead Firehouse
2:00 PM**

1. President Bobbie Kerns called the meeting to order and determined that a quorum of the Board was present.
2. Board of Directors:
 - Bobbie Kerns
 - Mike Wigent
 - Barrie Riddoch
 - Al Hale
 - John Moseman –excused absence
 - Sharon Pugh
 - Linda Squirrell
3. Approval of Minutes- Barrie announced that the minutes since the last Annual Meeting (August 2012) through June 2013 have been approved and are posted on the AIA website. The July 2013 minutes will be discussed at the regular Board meeting following the Annual Meeting.
4. Treasurer's Report- Al Hale provided the treasurer's report that is attached to these minutes.
5. Manager reports: (note all reports are attached to these minutes)
 - Communications – Lisa Ditmore
 - Design Review – Joyce Boulter
 - Forest Manager – Bill Conway
 - Heavy Equipment and Maintenance- Linda Squirrell
 - Security – Reinie Masanetz
6. Committee Reports:
7. Hazel Lake- Linda Dysart reported that fish have been observed at Hazel Lake and that fishing is now open at the lake. Fishing at Hazel Lake is catch and release only. Please remember to wet your hands before handling any fish caught. Fishing is flies or single hook lures only. Reinie added that he has been unable to find any more fish to stock either Hazel Lake or the Flint Lakes and the \$1650.00 remaining in his budget can be returned.
8. Noxious Weeds – Patty Greeves reported that all the filing roads have been sprayed but need to be sprayed again. She asked for volunteers to contact her.
9. John Krall Award - Bob Hernandez discussed the John Krall Award that honors volunteerism within the Arrowhead Community. His committee received four nominations and selected Al Hale for his many contributions over the years to the Arrowhead Community. Al's nomination is attached to these minutes.

10. Bobbie Kerns gave the annual Presidents message to the owners. She covered the main points of her message during the meeting. Her complete message is included in the Annual Report attached to these minutes.
11. OWNER COMMENTS:
 - a. Paul McDermott thanked the Board for having a Board meeting in Montrose in March of this year.
 - b. Carol McDermott urged residents to continue to mitigate their property.
 - c. Kathy Krohn asked owners to re-read their governing documents.
 - d. Billie Ellis announced that the Firehouse Pancake Breakfast will be on August 31 beginning at 9:00 AM.
 - e. Carla Vavrck announced that the July 4th picnic netted nearly \$9000.00 and four hundred people were served lunch.
 - f. Kathy Koeltzow reported that because of the money taken in at the picnic and other events that Arrowhead now has a dedicated EMS vehicle.
12. Announcement for the Board:

Mike discussed the mock evacuation planned for next summer.
13. The meeting was adjourned at 3:30 PM.

Secretary – Barrie Riddoch

John Krall Award

August 17, 2013

This member of our community is an obvious choice for the John Krall Award. He embodies all that John stood for- he gives of himself tirelessly in so very many ways for our community and does it with such unassuming, quiet graciousness that many people do not realize that he is forever around and involved.

The following are just a couple of the wonderful things shared about him on the John Krall nomination forms.

I want to address his attitude. He never does anything for credit or to be in the limelight. In fact he flies totally under the radar and shies away from any attention or overt appreciation. In fact this award will probably embarrass him. He is just the type of person for whom this award was designed. We wanted to thank and acknowledge individuals who had served Arrowhead over the years because they love both the people who live here and the beautiful mountain community it is. These people do so in a quiet and continuous manner, selflessly giving of their time and expertise. He is a perfect choice for this award.

This John Krall nominee has been a summer resident in Arrowhead for over 20 years. He and his wife bring their RV to their property and stay from May to October. During that time they are involved with many events, committees, and community activities.

He is an active member of the Fire Department, serving as fire fighter as well as equipment maintenance. When he sees a need, he is at the Firehouse cleaning up the bay area or washing the trucks, often working alone. He is a regular participant at the Fourth of July picnic, setting up canopies and tables, and working wherever needed.

He has been involved with the Forest Mitigation study committee and has worked long hours with the Forest Manager cutting down dead and diseased trees.

He has been a regular participant in the roadside clean-up days. He reserves the Association's dump trailer and makes many trips to the Forest Refuse site, in addition to picking up and loading forest debris.

In 2010 and 2011, he was active in researching, acquiring & installing the aerators for Hazel Lake. He created a maintenance schedule for the aeration equipment. He also obtained and installed a shelter for the life ring at the lake. He is currently working on the Hazel Lake water agreement.

He has been involved with the noxious weed program and has spent many hours spraying the filing roadsides and around Hazel Lake. He also has purchased & installed necessary parts for the Association's tank sprayer and kept it maintained.

He has been a member of Design Review for several years and is invaluable in finding center pins and surveying lots. He has created a follow-up spreadsheet for Design Review and keeps it updated. He is so dedicated that he has often been seen snowshoeing to meetings at the firehouse in the winter.

He served as chairperson of the AIA voting committee and established guidelines for an efficient means of mailing and counting ballots.

He is currently serving on the AIA Board for a second time. He is the Board's treasurer and is working on the Reserve Study Committee and the Investment Policy. He spends many hours at home on the computer researching issues related to Arrowhead.

Anyone who knows this nominee and all he does will concur that he is thorough, dedicated, dependable and a pleasure to work with. He works quietly and without expectation of acknowledgement or adulation. He is a valuable asset to Arrowhead.

So now, for those of you who haven't yet guessed, this year's winner of the John Krall Award is...

Al Hale

BUT... there's a little bit more...

...I heard other committee members talk about everything else he does. I didn't know there were that many hours in a day!

A couple of months ago I got an email from him asking if I would mind if he services all the fire department vehicles, basically giving them all an oil change and what not? My only thought was "Is this guy for real?" Not only were the vehicles all serviced but he washed them as well. About a month later I got another email from him. "Do you mind if I clean up the bays at the firehouse?" This was after the firehouse was torn apart from fixing and insulating the roof. This guy hasn't slowed down on the firehouse projects to this day.

...it is apparent that the fire department isn't the only benefactor of all of his good deeds. He also needs to have a lycra suit with a cape and a large SV emblazoned on it's chest to signify SUPER VOLUNTEER!

ARROWHEAD IMPROVEMENTS ASSOCIATION INC.

ANNUAL REPORT 2013

Annual Owners' Meeting
President's Report
August 17, 2013

Bobbie Kerns, President of the Board of Directors, told the owners in attendance that Arrowhead is governed by county, state, and federal laws; in particular the Colorado Common Interest Ownership Act (CCIOA) and the Colorado Non-Profit Act.

Thus, the Board of Directors is required to have nine written governance policies. The following list shows the required policies, the date the law went into effect and their current status:

1. Collections (1-1-06) STATUS: Being worked on now with legal counsel.
2. Conflicts of Interest (1-1-06) STATUS: Completed pending final legal review.
3. Conduct of Meetings (1-1-06) STATUS: Completed 6-15-13.
4. Enforcement of Covenants and Rules (1-1-06) STATUS: Completed 10-20-12.
5. Records Inspection and Copying (1-1-06) STATUS: Completed
6. Investment of Reserves (1-1-06) STATUS: Completed. Located in Reserve Study to be adopted September, 2013.
7. Procedures for the Adoption and Amendment of Policies, Procedures and Rules (1-1-06) STATUS: Completed August 18, 2012.
8. Procedures for handling disputes between the association and owners (1-1-07) STATUS: Completed 10-20-12.
9. Reserve Study and Reserve Funding (8-5-09, 7-1-10) STATUS: Completed. To be adopted September, 2013.

There were two major changes to the Regulations; one in the last quarter of 2012 and one in the first half of 2012. The Regulations were changed to reflect a new restriction regarding the number of RVs allowed on a lot in October 2012. In addition, a Regulation change in July 2013 removed the mandatory mitigation requirement for lot owners. Owners are still encouraged to create defensible space around their homes and lots.

The Board of Directors Handbook along with the Association's Employee Handbook is being reviewed and sections are being rewritten in order to come into compliance with various legal requirements.

In April 2013, a board member resigned creating a vacancy on the board and a record number of candidates (7) stepped up and volunteered to serve the owners of Arrowhead. John Moseman was appointed by a majority of the board at the May Board meeting. In addition, there are currently 12 candidates who have volunteered to run for election of the three board positions that will expire in mid-January 2014.

The Arrowhead Awareness Booklet was updated, reprinted and made available to owners at the Annual Owners Meeting on August 17, 2013. One owner, Kathy Koeltzow, who was instrumental in producing the original booklet several years ago, spearheaded the revival of the new booklet. Another owner, Dee Sedgwick along with several volunteers, was responsible for heading up the effort to get a flagpole installed in front of the fire house.

There were also many fun events that took place; July 4th picnic, pancake breakfasts and Tuesday night potluck dinners. Some of the memorable events were the 60th wedding anniversary party for Billie and J.R. Ellis at the firehouse and a BBQ honoring the many fire department volunteers where a mouthwatering assortment of meats smoked and provided by John Moseman and accompanied by side dishes and luscious deserts provided under the coordinated efforts of Billie Ellis and a host of community cooks. Owners were pleased to learn that new Arrowhead apparel items are now available for purchase under the coordinated volunteer efforts of Martha Cook.

Bobbie Kerns, President
Board of Directors
Arrowhead Improvements Association

Treasurer's Report – August 2013

The Arrowhead Improvements Association (AIA) ended 2012 with a net income of \$25,294 which is favorably greater than the planned budget of \$3,868. At the January 2013 board meeting, it was decided to put this money into our undesignated reserve fund for future major capital expenditures.

Also, at the January 2013 board meeting, the 2013 budget was approved with a net income after capital expenditures at the end of the year of \$47,947. Note that the bulk of AIA's income is fixed which mostly comes from owner dues. Given the cost of many aspects of operating AIA go up year after year, it will become more difficult to achieve a balanced budget unless services are reduced or owners vote in a dues increase.

June 2013 financials show \$200,000 in Operations Reserve, \$73,036 in Heavy Equipment Reserves and \$52,331 in Undesignated Reserves.

Historically, AIA's financial policy has been to keep six month's worth of operating expenses in Operations Reserve. However, Colorado Common Interest Ownership Act requires a more methodical approach to calculating money AIA should be setting aside for major future expenses. A reserve study committee was established this year to do a 10 year forward looking analysis. A summary of their work is available on the AIA website and will be used for input into the 2014 budgeting process.

In May of this year, a Grand Junction, Colorado CPA firm did a review of AIA's accounting records which is done annually. No findings were found and a copy of their report is available at the AIA office.

Delinquent owner dues and associated legal fees owed AIA continues to come down and at the end of June was about \$27,000. 80% of this money lies with just 8 owners. AIA's legal firm has a formalized collection process they follow for these delinquent issues.

AIA remains in good financial situation with \$363,403 cash on hand.

Respectfully submitted,

Al Hale, Treasurer

FOREST MANAGEMENT REPORT ANNUAL REPORT

August 2013

The AIA board appointed a committee in the fall of 2012 to review the regulations on mitigation and defensible space. Those recommendations were presented to the board in the spring of 2013 along with recommendations for changes to the regulations. After consultation with Design Review new regulations were adopted that changed mitigation and defensible space from mandatory for new owners to voluntary for all owners. The Forest Manager continues to encourage mitigation and defensible space for all owners.

The board also directed that the Forest Manager should issue permits for the cutting of any live trees over 2 inches in diameter and the fine of \$1000 for cutting live trees over 2 inches diameter without a permit will continue in the regulations. In the last 3 months permits have been written for removal of live trees from 63 lots. Some of these permits are for mitigation and defensible space, but the majority are for trees that were a hazard to parking areas or structures. When issuing these permits there is usually an extensive discussion about mitigation, defensible space, forest health and additional hazard trees that the lot owner has not noticed

In order to support this work and provide a fire safe area for people to dispose of forest debris it is extremely important that the Forest Refuse Site continue to exist. The 2012 Forest Refuse Pile was the second largest in the State of Colorado. After negotiating with the State of Colorado a new burning permit was obtained for 2013 with the following requirements. No Stumps are allowed. Logs that can be used for firewood or other purposes are piled in a separate area. Any logs that are not utilized prior to the end of the summer will be moved to the pile. Conformance with these has been good with only a few minor problems. Utilization of the log pile has been minimal. The pile will be burned in the winter when there is no risk of the fire spreading and on a day approved by the state smoke management agency; usually during a snow storm.

Beetles continue to be a problem in the forests of Arrowhead. Individual lot owners and the community put up about 11,000 beetle repellent packets (MCH packets) in the spring of 2013 for the protection of Douglas fir and possibly some positive effect on spruce. This effort seems to be effective in most areas. Individual and small groups of beetle killed Douglas fir are scattered around the community. The largest Douglas fir beetle infestation is on the west side of the ridge in the general area of 700 Crest. Additional mortality is expected in this area this fall and next spring.

The concern of a spruce beetle epidemic reaching Arrowhead has increased significantly in the last month. Pockets of spruce beetle infestation have recently been found on both Forest Service and BLM land on the Alpine Plateau. Individual spruce trees have been found killed by spruce beetles within Arrowhead. There is significant risk that every spruce over 8 inches in diameter

could be killed at Arrowhead in the next few years. The only possibility of preventing is occurrence is the rapid removal of spruce blow down and beetle infected trees. While Douglas fir trees infected with beetles will usually die within one year; that is not the case with spruce. Spruce trees will frequently stay green for a year or more after beetle attack. The best indication of beetle attack in spruce is streams of pitch on the tree and pieces of bark on the ground around the tree that has been chipped off by woodpeckers looking for beetles.

Plans for removal of beetle infested Douglas fir and spruce from Arrowhead are underway. Discussions have started with a logger about using a skidder and self loading truck to remove trees. Other options such as having trees removed by fire wood cutters and people with portable saw mills have been used in the past and will remain as a tool to remove some trees.

Balsam (subalpine fir) and aspen will continue to die at low to moderate levels because they are relatively short lived trees that are susceptible to many diseases and insects. An excellent level of cooperation has been developed with the monthly community clean up days to remove dead trees along roads. 28 such trees were removed in July and more are planned for August. A cooperative plan is also in the works to remove branches that interfere with grading the filing roads.

Key Point: There is a strong possibility that all spruce over 8 inches in diameter could die within the next 3 years.

William Conway
Forest Manager

Design Review

Annual Report to the Board

Requests for activity on lots started in March. Of course work didn't start till June when the ground finally dried out. This summer we did not have any mitigation/defensible space responsibility. This was taken over by Bill Conway our new Forest Manager.

The committee has been very busy with new driveways and construction. Any new or old owner that is planning any improvement or construction on their lot should check with Design Review.

Please call or email me. Joyce Boulter 970 862-8449 or joyce.boulter@gmail.com. I will answer questions or meet you on your lot to discuss your project. Those owners that have a driveway to their lot should have an address sign at the filing road and one if the road forks to identify your lot. This is for the fire and rescue workers to identify your lot. Sign guidelines are in the regulations. Reflective numbers will also help locate your lot at night.

Below is an activity chart for 2011, 2012, 2013

| Activity | 2011 | 2012 | 2013 |
|----------------|---------|---------|---------|
| House | 2 | 1 | 4 |
| Garage | 2 | 1 | |
| Shed | 7 | 5 | 4 |
| Remodel/deck | 3 | 1 | 6 |
| Driveway/RVpad | 5 | 8 | 6 |
| Utilities | 3 | 4 | 3 |
| Total fees | 3250.00 | 2000.00 | 2900.00 |

Joyce Boulter

MAINTENANCE & HEAVY EQUIPMENT REPORT 8/17/2013

Linda Squirrell

Alpine Plateau Road

The County has bladed the road and applied magnesium chloride to part of that blading but was delayed by rain in applying the rest. By the time this meeting is held, that application work may well be completed. Will and Ron have participated in the work with Gunnison County, the Forest Service and the logging company regarding log hauling on the Alpine Plateau Road and improvement of the snowmobile trail up country. That will all be covered in the reports on that topic.

Maintenance

Will and Ron have erected the new sign for Juniper and it really looks nice. Honen Equipment has still not had a service call for Gunnison, so they have not yet come up to evaluate our loader problem. Therefore, Will will get a cost estimate for such an evaluation call and get that going so that the loader problem is resolved before winter.

Will also shopped for the gravel he uses on the community roads and gotten the best price which is approximately \$13,000 plus tax (we already have these funds budgeted). He also estimates less than \$500 for the gravel he uses on Beaver Slide and this year will be using on the curves due to log hauling.

Parking Lot Bathroom

Will is continuing to do the cleaning on that and Sally Burrictor will continue to pick up the supplies as needed. Parts to increase the flow of water in the toilet and for an indoor vent are on order.

Snowmobile Trailer

The repairs on the snowmobile trailer have been completed and it's ready to use again.

Community Roads

Will has been pulling ditches and cleaning out culverts in preparation for winter. He will be grading and graveling the driveway into the winter parking lot before winter. He will also apply gravel where needed (as far as the amount we have budgeted can stretch) to community roads.

CB Radios

Rich Leary has volunteered to install CB radios on the grader, the loader and the blue fire truck (which Will uses to apply gravel to Beaver Slide) to facilitate communication between the loggers and our snowplowers.

SECURITY

Annual Report 2012-2013

August 17, 2013

Security Personnel: We have five Security officer's with the newest addition of Mike Hunt who join our team as a Reserve Security Officer. Our security team rotates from Sunday late afternoon to the next Sunday, 7days and the average daily hours are 5-6 hours, not to exceed 40 hours per week. All our officers are re-certified every two years in CPR and 1st Aid and some of our officers are also volunteers on the fire department and are first responders.

Security Equipment: Our 2008 Ford Explorer security vehicle has been well maintained and is running in good condition. We have two snowmobiles, (one Articat powder machine and a Ski Doo 4 stroke), which we rotate in the winter months depending on snow conditions. This winter we will purchase a 2014 Ski Doo 600 with a trade-in credit from our older snowmobile.

Open Fire Permits: (Which is the term we now use, that we adopted from the language used in the Gunnison County fire ban notice.) This year we had an early fire ban in Gunnison County and Security would like to thank all of our property owners for complying with these fire restrictions, keeping the flames down and having their open fire pits recertified annually.

Medical Emergencies and Law Enforcement Assistance: Our security team maintains an excellent rapport with local law enforcement agencies, i.e. the Sheriff, his deputies and dispatchers from Gunnison County, National Park Rangers, US Forrest Law Enforcement and Colorado Division of Parks and Wildlife and of course Ambulatory Services with ground and air support. Security assisted our fire department and the first responder's ambulatory services in several medical emergencies, as it is our main function is to escort these agencies to Arrowhead property addresses as quick as possible.

Incident Reports: Nothing to report.

Common Complaints: Involved speeding in the subdivision by drivers in vehicles, ATV's and snowmobiles, especially during the holiday weekends. Since we have implemented the underage driving restrictions 2 years ago, reckless driving by underage drivers who are without adult supervision has gone down. Dogs at large and barking dogs are also a common complaint. Please notify Security immediately about any nuisances or if you have complaints.

Additional Camper Permits: Security maintains a detailed log for additional camper permits and has issued several camper permits so far this year.

Overall, we as the AIA community can be very proud and thankful for the great job our security team is doing, especially during the rugged and extreme winter weather conditions. We keep driveways open and try to assist you in your security needs during our routine driving patrol.

Respectfully submitted;

Reinie Masanetz
Security Manager

Communications Manager Annual Report by Lisa Ditmore:

Since assuming the Communications Manager position in March of this year, here is what's been achieved:

For the SMOKE SIGNALS: An online "Ad Request Form" was introduced, streamlining the process and accountability for advertising in the Smoke Signals. From our AIA Website, advertiser can now complete the PDF form-filler "online" and email the completed form along with their ad artwork, all in one email. This process has streamlined the communication and payment process between myself, the advertisers and Dave Tobler (our Office Manager).

To date, we currently have 24 advertisers, 7 of which are new this year.

When possible, to save on printing and postal costs, I'm working to keep the production of the Smoke Signals to a 16-page limit and allow for additional space availability with our advertisers. This can be achieved by working to consolidate and reduce the font and photo size of our department manager messages and reduce our club ads to be a ¼ page.

For layout, editing and publication purposes, we are now requesting that everyone have their advertising and payments to us by the 10th of the month, prior to the next bi-monthly edition. All advertising request are on a "1st come 1st serve" basis and ad size availability.

Arrowhead in Colorado (AIA) Facebook: As extension to our AIA Website, the Facebook page continues to be a very successful communication tool, reaching more owners and their family members with immediate and important information...above and beyond just the Blast Email list. The best example was during the East Fork Fire event. Each post during that week averaged over 400 views and the weekly performance peaked to over 3800 views.

Since March, the overall, "Likes" (or fan base), to our Facebook page has more than doubled, from 191 fans to a current fan base of 406. Depending on the information posted our regular "view" base averages between 1200 to 1800 views per week. Like last year, the top 3-cities viewing our page takes place from Montrose, Grand Junction and Cimarron; but, our viewing now reaches to other countries, like Australia, Germany, Italy and the United Kingdom.

As a reminder, the AIA Facebook page is a Public page and does not require you to be a member of Facebook to review the information provided.

I want to thank many of the owners who have provided photos and information to share with our fans!

AIA WEBSITE: We are continuing to update and re-categorizing the website, by breaking down the information for easier access and “less search time”.

We added a new page “Forest Living”; categorizing all things related to our forest on one page. All information relating to Forest Health, Mitigation, Wildlife, Wild Flowers and the Forest Refuse Site are now in one location.

BLAST EMAIL LIST: If you want to receive important messages and community updates in the form of an email, I encourage owners to be added to our Arrowhead Blast Email listing at arrowheadblast@gmail.com

This list is confidential and a “post only” email account.

INFORMATION BOARDS: Including myself, Security & the Fire Dept. have a set of keys to both message boards, located at the Firehouse & Heavy Equipment Shed. This allows both departments to post immediate and important notices for those owners who don't have electronic access to information.

Lisa Ditmore

Smoke Signals: aiasmokesignals@gmail.com

Facebook: aiafacebook1@gmail.com

8-17-2013